Daily Report

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Cuba

The Cuban Foreign Relations Ministry issued a note on 10 November in response to the U.S. expulsion of Cuban diplomat Carlos Collazo Usullan, a Cuban representative to the United Nations, reports Radio Havana. According to the note, the expulsion "is part of the traditional U.S. policy of provocations and aggressions against the island." The note says Collazo "was harrassed by alleged FBI agents," adding he "was a victim of a clear act of provocation on 29 October when a group of people who identified themselves as FBI agents proposed that he desert." The note adds that the action seeks "to deteriorate Cuba's image and make it appear to be a threat to the United States, when the opposite is true."

Panama

On 11 November, the Democratic Revolutionary Party, PRD, proposed the formation of a constituent assembly "whose duties would include the immediate replacement of President Guillermo Endara and his officials by a government junta," reports EL PANAMA AMERICA. According to the proposal, the assembly would have one year "to complete its work and schedule general elections," and while the assembly is in session, the country would be run "by a government junta or a provisional government," which would be formed by those who "won membership in the constituent assembly."

Colombia

In response to an attack that killed 26 policemen in Putumayo by the Revolutionary Armed Forces of Colombia, FARC, guerrillas, the Armed Forces launched operations against the responsible parties and killed 28 guerrillas. According to Santa Fe de Bogota TV, 15 FARC guerrillas were killed while fleeing through the jungle towards the Ecuadoran border.

Santa Fe de Bogota TV also reports that on 9 November Antioquia authorities arrested Pablo Escobar's cousin and lawyers and placed them "at the disposal" of the regional prosecutor's office.

Cuba

U.S. Expels UN Envoy for 'Inconsistant' Activities

FL1111121892 Bonaire Trans World Radio in English 1130 GMT 11 Nov 92

[Text] The United States has expelled a Cuban diplomat stationed at the United Nations for what the U.S. State Department calls improper activities. Cuban UN First Secretary Carlos Manuel Collazo [title as heard] was given 48 hours to leave the United States. A U.S. State Department spokesman charged that the U.S. Federal Bureau of Investigation found that Mr. Collazo was taking part in activities inconsistent with his diplomatic status.

Ministry Issues Protest Note

PA1111011592 Havana Radio Havana Cuba in Spanish 0031 GMT 11 Nov 92

[Text] The Cuban Foreign Relations Ministry has issued a note on the expulsion of a Cuban diplomat at the United Nations. It reads as follows:
Havana, 10 November.

The Cuban Foreign Relations Ministry, on 10 November, reported the expulsion of a Cuban diplomat from his mission at the United Nations is part of the traditional U.S. policy of provocations and aggressions against the island.

Fernando Remirez, first vice minister of foreign relations of Cuba, told PRENSA LATINA that Carlos Collazo Usullan, third secretary of the Cuban representation before the United Nations, who was given 48 hours to leave the United States on 10 November, was harrassed by alleged FBI agents.

An example showing this case is part of the more than three decades of hostilities on the part of Washington, Remirez said, was the way in which it transpired. The Cuban vice minister added that the Cuban diplomat, who is accused of alleged activities not in keeping with his post, was a victim of a clear act of provocation on 29 October when a group of people who identified themselves as FBI agents proposed that he desert. When Collazo refused to betray his country, his interlocutors warned that he would face consequences should he not accept their proposal. He added that this was explained in a note from the permanent Cuban UN representation that was made available to U.S. authorities.

Remirez said these actions have an evident propaganda nature and seek to deteriorate Cuba's image and make it appear to be a threat to the United States, when the opposite is true. The Cuban foreign relations vice minister added that besides the U.S. blockade policy and its illegal occupation of a part of the national territory with the Guantanamo Naval Base, terrorist aggressions and attacks, which violate U.S. laws and have been condemned by the international community, continue to be organized in the United States.

Carlos Lage Comments on Economy

FL1111173092 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0230 GMT 7 Nov 92

[Interview with Carlos Lage Davila, Politburo member and secretary of the Council of Ministers, by journalists Soledad Cruz, Pedro Martinez Pirez, and Pedro Rojas on the "Hoy Mismo" program—live]

[Text] [Hector Rodriguez] Dear viewers, friends of Cuban television, Comrade Carlos Lage, a member of the Politburo of the Communist Party of Cuba and secretary of the Council of Ministers and its Executive Committee, is here with us in Studio No. 11 of the Hoy Mismo program, as had been announced. Good evening Lage.

We are coming to the end of 1992 and are only one month and a few days away from 1993. This is why the Hoy Mismo staff invited Comrade Lage to talk about aspects of the current Cuban economy—for example, the outlook for next year. Despite his many engagements, Comrade Lage has very graciously accepted our invitation; and for approximately one hour, he will answer questions from reporters such as Soledad Cruz and Pedro Martinez Pirez, who are both from our staff, and Pedro Rojas, the director of the National Television Newscast.

Since ladies traditionally go first and in the name of proletarian chivalry, we give the floor to our colleague Soledad Cruz.

[Cruz] Good evening. Thank you, Hector and thank you, Comrade Lage. Comrade Fidel has recently made reference to year one of the critical special period. I think that during this entire year everyone—pessimists, skeptics, optimists, and realists—have all asked themselves the same question at some time: How long might the special period last?

[Lage] Yes, first of all, thank you, Hector for the invitation for this opportunity to be on the show. It is a pleasure to be here. I think that before answering Soledad's first question we should give a little explanation on the background of the situation that we are going through, that Cuba is going through. We should refer to Fidel's speech of July 1989 on the occasion of the 26 July anniversary ceremony in Camaguey. As early as back then—in regards to the dizzying speed with which events later occurred—our commander warned of the dangers that could arise as a result of the events that were taking place in the USSR and in the socialist bloc. I even remember that he said that even if we were to one day learn that the USSR had disappeared, we would continue building and defending socialism. In fact, even earlier, at more private work meetings, he had already warned of the dangers inherent in certain measures,

tendencies, and trends that were taking place; and the consequences the outcome of these could have on our country's economic relations with the socialist bloc in general and the USSR in particular.

I must say that, despite the fact that we were forewarned as much as could be expected, the subsequent events took place so rapidly—first the disintegration of the socialist bloc and later the disintegration of the USSR occurred, as all will remember, within a chain of (?repeated) events—and despite the warning and the measures that the country began implementing way back then—in order to prepare ourselves for those circumstances—the seriousness of the events and the speed with which they occurred prevented us from immediately feeling their consequences in our economy and in the population's daily life.

All our people know that we have always taken pains to explain the reasons for whatever current difficulties we may be encountering, and how we should confront them, and the economic impact that these interrupted relations have had on our economy has been very clearly explained. It has been said, as is common knowledge, that the country's imports dropped from more than $8 billion annually—approximately 8.1 plus billion per year—to approximately $2.2 billion; 1.1 billion in 1989, when ties with the community of socialist countries could still be considered in full development, and an estimate of $2.2 billion in Cuba's import capacity for 1992. In other words, this year the country has had to live with 73 percent of the import resources which were used to normally conduct Cuba's economy and the people's lives.

The consequences of the situation we are going through do not boil down to this alone. We must add that in addition to this, we had an intense trade exchange with socialist bloc countries and primarily the USSR. Eighty-one percent of our exports went to those countries and 85 percent of our imports came from those socialist bloc countries. That is, when these trade relations were halted, given the conditions under which they took place, Cuba practically lost three-fourths—more than three-fourths—of its markets; of both the market that supplied it with raw material for national production and consumption and markets for its export products.

Here we can see an additional effect. It deals with trying to live with fewer resources, and changing the function of the economy by seeking new markets.

If we do a balance of what will have happened in 1992, Cuba's trade with countries of the former [as heard] CIS and the former socialist bloc will reach approximately $830 million in both directions, exports and imports. This is approximately 7 percent of the trade that used to take place. From this, one can conclude that not only have Cuba's preferential trade conditions with the socialist bloc been lost—credit, prices corresponding to bilateral agreements and a much fairer economic order than the economic order internationally prevalent—but in addition to having lost these conditions, it also happens that trade was practically interrupted completely. It was reduced to a minimum expression, a good portion of this 7 percent which I mentioned is the 1 million tons of sugar that we exported to Russia for 1.8 million tons of oil. That is more than half of that trade that we were talking about as well as certain other merchandise. So the country had to function with these reductions in resources, and it also had to find new markets for imports and exports.

There is another factor we can point out. Our relations with the socialist bloc were not only large trade relations, and trade relations that weighed most heavily in the nation's overall trade. They were also relations of economic integration. Over the years, our country's economy became integrated into the economy of the countries of the Council for Mutual Economic Assistance [CEMA]. Therefore, there were relations far more complex than simple trade relations. Many investments, programs, and developments that took place in Cuba were made in response to responsibilities that Cuba had within CEMA, and with the obligations Cuba had to fulfill with CEMA, and with the market that that community of nations offered to our nation.

Therefore, a tie that went much deeper than a trade relationship was broken. This had to do with not only with the need to find new markets but also with the need to strategically reorient the development of the nation's economy in response to completely new circumstances.

A brief comment: Was it correct to have established those relations? It was historically correct. What is the origin of this relationship and integration? The origin is the imperialist embargo which was imposed at the beginning of the Revolution. When the embargo was imposed, when relations with the U.S. market were broken off, when they applied pressure and caused the break of economic and trade relations with Latin American countries, then, the socialist bloc and the Soviet Union, in particular, became an alternative to Cuba's trade and development. Not only as a market alternative, but it is only fair to say it was an alternative in conditions that were more and more advantageous, more suitable for Cuba because, therefore, it developed trade arrangements in which we obtained preferential trade prices for our products in comparison with international market prices and we obtained relations which provided credit for development. This corresponded with a policy, mainly the USSR's, a policy of solidarity, an internationalist policy for which we are grateful. In other words, historically it has its origin in the embargo, historically Cuba obtained these benefits from this trade.

Many times abroad, they have said Cuba was being subsidized and that now it has lost its subsidies and Cuba's economic problems result from having to face the normal market situation. This view is incorrect because in reality there were not subsidies. In reality, what existed was a policy of establishing a fairer economic exchange in comparison with the exchange that should

exist between developed and underdeveloped countries—something that is even advocated by the United Nations. We achieved that type of relationship in our ties with the USSR and the socialist bloc to a greater extend than the rest of the underdeveloped countries with the rest of the community of developed countries. Therefore, that is what occurred in our relations with the USSR and at a certain time in these relations it was accorded that in the same measure that the price of the products we were importing increased, the prices of the products we were exporting would also increase. This is why sugar prices reached, at one time, more than $800 per ton. In other words, it is a result of this agreement, which is a fair agreement, an agreement which we think corresponded to the needs of the underdeveloped world and is a fair demand of the underdeveloped world.

Therefore, as we have said before, these relations were broken, these trade exchanges were broken. This affects an integrated economy and at the time, when this happened, we had been integrated for 30 years. Therefore, the essential technology of the country, the main technology is a socialist and primarily Soviet technology; that is, the equipment, the machinery. If we were to take an overview inventory of the situation of the country's economy; the whole air fleet is Soviet; all of the sugarcane industry machinery, the combines are all Soviet technology. More than 60 percent of the electric generating equipment is Soviet and a good part of the hydroelectric plants or the equipment at the hydroelectric plants is Czechoslovakian. That means there is no branch of the economy where there has not been an important technical influence of the socialist bloc and with this trade volume, one can clearly see that that technical assistance and the possibility of obtaining spare parts for the operation of all this machinery is also interrupted.

This is occurring but nevertheless, the conditions which Cuba must face on the international market in relation to other countries are not normal. Cuba is facing a market where it is fighting against the U.S. embargo. The embargo is always there. However, without a doubt, relations with the USSR and the socialist bloc contributed in attenuating the effects of the embargo on Cuba's economy.

An embargo that covers 15 percent of the economy is not the same as an embargo that covers 100 percent of the economy. Therefore, the consequences of the loss of these relations forces Cuba to confront a trade which is being embargoed and where our trade relations take place under the effects of the U.S. embargo. This is happening at a time when U.S. hegemony is being strengthened even more, as a consequence of all these and other events. This is to say, the ability of the United States to apply pressure and its ability to be successful in its embargo efforts is greater at this time when Cuba must confront these trade relations.

This is also taking place at a time when U.S. policies choose to strengthen the embargo, a strengthening of the embargo through measure after measure, the most recent being the Torricelli Law, which also strengthens the embargo. A strengthening of the embargo expressed by pressure against governments and businessmen, pressures of all kinds. In this situation, in addition to all these factors, an increase has been taking place in the prices of some of the main products which Cuba must buy on the world market. Let me say, the wheat that we buy or bought in 1990 at a cost of $82 per ton, today is being bought at $114 per ton. The chickens which we could buy for $1,000 per ton, now costs us $1,200 per ton. The milk which we bought for $1,700 per ton, sometimes even less, today it costs us $1,900 per ton. Even oil, all of which we have to buy on the world market, in December 1990 it cost $112 per ton and today it costs $140 per ton.

Also at this juncture, the prices of some of our exports, some of major export products, have decreased. That is, two years ago sugar was approximately $200 per ton, now it is at $185, $186 per ton and nickel in 1990 was almost at $8,000, $7,500, $7,800 per ton. Beginning in 1989, its price began to fall from $8,000 and is now at $5,800 per ton. That means that the prices situation must be added to all these serious consequences which Cuba must confront. This not totally independent from the events which occurred in the USSR and the socialist bloc. A series of factors always influences price, but there is no doubt that the fact that this community of socialist states, which exported technologies and technical aid—the USSR even exported fuel and food—now they have to come to the market or are coming to the market in order to desperately obtain credit, many times to import some of the food that they exported before. This also influences these prices.

Therefore, we could say, in general terms, that these are the causes which are related to the situation we are facing today and it is very important that we reason it out because we must understand well the difficult situation which the country is facing. And we must understand well that the margin of deficiencies.... [pauses] I say this very clearly but not in an effort to diminish the importance of deficiencies and insufficiencies in our work, many of which gave rise to the rectification process; we were already engaged in that battle when those events took place in the USSR and the socialist bloc. The essential causes of the difficulties we are facing are these external causes and these problems which are alien to the very development of the Revolution. It would not be fair to blame the Revolution for the problems which we have today.

I think that the fair thing is for us to confirm, become aware, and be convinced that only with the Revolution can we confront problems of the magnitude we have been confronting. The commander in chief explained that this is the first year of the special period, in the sense that for the first time in 1991, we confronted the full effect of these problems, because in 1990 and 1991, the situation progressively became worse. You will remember that at the end of 1991, when the USSR

completely disappeared, we still had agreements with the USSR for preferential prices for our products; not as high as before but still better prices than the world market. The agreement was not, in effect, the whole year, just during the first half, and part of it during the second half of the year. For the first time in 1992, the socialist bloc and the USSR were already gone and so was the agreement. Therefore, we are fully facing all the harsh consequences of this situation.

I do not think it is possible, or proper to define the number of years that the special period might last or when it will end. I think that if we analyzed it carefully we would realize, in the first place, that the seriousness of the problems makes it impossible for us to overcome the special period in a short period of time no matter how great our efforts, how great or important the measures that we might take or are taking, or how great the efforts that we might make or are making could be. It will take time. Fidel told the National Assembly of the People's Government [ANPP] that it will take a long time.

This is an idea that under these conditions, we are much more exposed to the conditions and the influence of the world market and the international situation. Even more, given the effects of the U.S. embargo and pressures, we must also realize that during this special period, these external factors have an important role, and according to how they impact on our economy and the country's life style, they will also influence the duration or the time we will have to be living and working with these limitations and restrictions that we have today. However, we have no doubt of the country's potential. I think that the greatest proof that we have of the potential to overcome this is the fact we are here, of where we are today, and that we have resisted.

[Rodriguez] Are you satisfied?

[Cruz] Yes I am.

[Rodriguez] Pedro Rojas, you may ask the next question.

[Rojas] Well, Lage, in this search for solutions which the country is carrying out, we began the food program approximately three years ago. I would like to ask two questions in relation to this subject. Do the results obtained so far correspond with the expectations we had when the program began? Second: What are the development prospects of the food program?

[Lage] Yes. It has not met the projections or the needs. It must be said that the food program which we approved at the ANPP sessions in December 1990, on which we had been working before then, has not had the minimum amount of necessary resources to meet the expectations and need which Cuba has to develop the food program. This stems from the situation which I have briefly explained.

Therefore, I should say that in some activities and in some branches we are obtaining positive and encouraging results. In other activities of the food program, the decreases have been small or not existent and they have at least managed to maintain the production and consumption levels of some national products, and in others, such as the production of meat and milk, there have been important production level reductions from what we had in 1990 or 1989. If we think that this program was created at a time when the country's economy was in different circumstances, it is not that we did not think that difficulties were coming, like I said before, the difficulties came in the most serious and precipitous way possible. We did not have the necessary resources to carry out the plan.

To give you an idea, in 1989 the country imported 1.3 million tons of fertilizers, basically we imported nitrogen, phosphorus, and potassium. Some of these are essential components for the development of any crop, sugarcane, rice, tubers, and vegetables. They all practically need a certain amount of fertilizer. Well in 1992, we did not have more than 250,000 tons of fertilizers. We have had to carry out agricultural production with this extraordinary reduction in fertilizers as a result of the period, of the scarce availability of resources which the country had in these circumstances.

In 1989, we imported 1.6 million tons of cereal and protein for animal fodder and this year we will have imported 450,000 tons. That was in cereals, wheat, and soybean necessary for the feeding of cattle, pigs, chickens, for the production of eggs, milk, and meat. We have had to make do, or rather we have had to work with a reduction of this size this year.

In agriculture, the country consumed 1,500 tons of diesel fuel daily. As is known, from the 13 million tons of oil we used to import every year, this year we will only import approximately 6.1 million tons. This is what we will be finally able to import. Agriculture was prioritized. Other activities have been more affected than agriculture, but no more than 1,000 tons of diesel per day were available for agricultural activities. We have an agriculture that in general, is very highly developed. There is a high level of mechanization, much greater in Havana Province than the other provinces; in general, there is a high level of mechanization. The sugar industry is highly mechanized and the availability of fuel was extraordinarily restricted.

The country annually imported approximately $80 million worth of herbicides and chemical products to fight pests and diseases. These imports will not reach $30 million in products this year and if we.... [pauses] I am pointing out the things that are, or that refer to, products used directly for agriculture. However, this situation can be seen throughout the whole economy; therefore, the lack of tires, parts, accumulators, metals, and all kinds of resources necessary for production is being reflected in agriculture

Now, in these circumstances, extraordinary efforts have been made; without a doubt, extraordinary efforts have been made in the search for alternatives so as not to let these difficulties defeat us. If we make a quick review, we

can say that in these two or three years, 350 agricultural camps have been built. This is another important problem. We already had an agrarian labor force shortage—a problem that the Revolution had prior to the disappearance of the socialist bloc, which worsened with less fuel and machinery available. We needed more manual labor forces as a substitute for these resources. Well, 350 camps have been built. Labor forces have been mobilized; the people's response has been extraordinary, as has the level of revolutionary consciousness of our people; and we can say that in agriculture in Havana, 14,000 workers have remained mobilized from the city for over a year. There are provinces in the interior where the proportion of the mobilized workers to the population is even greater. Today we do not have a labor force shortage in agriculture, mainly in the production of tubers and vegetables.

Together with this, we have researched solutions to the production of fertilizers which are not imported, the so-called biological fertilizers. For example, azotobacter, a fertilizer that adds nitrogen to the soil and is produced during a fermentation process, was not being used. It is a product from our National Research Center. This year, 6 million liters of azotobacter are being used on various crops. Compost for sugarcane, a fertilizer that furnishes organic nutrients and is produced from a sugar by-product [cachaza], was found, studied, and tested. Last year, 80,000 tons were used during the last harvest; this year, 1 million tons will be used in the next harvest.

Nationwide, 228 Biological Pest Control Production Centers have been created. These are centers for production of biological products to fight pests and diseases. In other words, biological products that are obtained from and act on.... [pauses] through (?phagocytic) mechanisms, disease-causing mechanisms to fight pests. These centers have been created throughout the country. They are producing and their products are being used.

In agriculture, 108,000 oxen have been introduced as substitutes for tractors and fuel, and to spare the manual labor force. We should reach, in the next few months, 200,000. We still need to introduce more oxen into agriculture. More than 70,000 agricultural implements for oxen have been produced because agricultural implements for tractors are not the same as those for oxen. They have different characteristics and they must be produced. This includes the production of the multiple plow, which has been extensively talked about by the media. It is a Cuban machine that saves fuel in the preparation of the land. This means that if we look at the steps that have been taken and the efforts made, one by one, we can see the willingness of the Revolution to confront these difficulties, the people's willingness to confront these difficulties.

We can use as an example some fronts where we have obtained results and some where we have not obtained results. That is, the production of tubers and vegetables. It is an area where we have begun to obtain results. On a national level in 1992, in comparison with 1990, the production of tubers and vegetables increased 16 percent. In 1992, 16 percent more tubers and vegetables were produced than in 1990.

We know that all our needs are not covered.

Now, of that growth, we must point out that production in the state enterprises was 44.... [pauses] growth in state enterprises was 44 percent. State enterprises produced 44 percent more tubers and vegetables, compared to 1990. Production by cooperatives decreased by six percent, speaking nationwide—although already in 1992 we can see a certain amount of growth compared to 1991. Production by individual farmers decreased by 29 percent.

A special effort was made in Havana Province, an additional effort; and this was given priority, let us say. This priority is based on the fact that the greatest concentration of people is in the capital. Not only does the capital have the greatest concentration of people; it also has the smallest amount of land. That is, on 40,000 hectares in Havana Province we must produce the tubers and vegetables for almost 3 million inhabitants: the capital's two million and Havana Province's more than 700,000 inhabitants. That proportion is not to be found in any other province in the country. In addition, to the extent that we can manage to increase agricultural production in Havana and Havana City Provinces, it becomes less necessary to bring in products from the provinces in the interior, as has been the practice over the past few years. Those products can thus stay in the provinces; plus, this means savings in fuel and other resources.

This effort has received special attention—a special orientation, I would say—directly from Comrade Fidel. In the agriculture of Havana, tuber and vegetable production for 1992 grew by 66 percent, in comparison to 1990.

Now, the state enterprises' production grew 129 percent. If we understand the percentage proportion correctly, the state enterprises produced twice as much, plus some 29 percent more, than they produced two years ago; and the cooperatives' production grew by 33 percent, while the small farmers' decreased by seven percent in 1992, as compared with 1990—I repeat. Although as compared with 1991, they are already maintaining their production levels.

Here we could add that the conditions necessary for tuber and vegetable production to continue to increase have been created, and in all sectors: the state enterprises, the cooperatives, and even the private farmers. Because this effort is also accompanied by organizational measures; priority of certain resources; in some cases, even a small number of wage measures, measures to obtain seeds, regarding the availability of seeds. That is another important effort. Eight centers for the accelerated production of seeds have been created. Thus, the conditions have been created to continue this growth.

We say conditions have been created for a continued increase in production. We are not saying that it will increase. We know this is also subject to weather conditions. Weather conditions can have an influence, not only in Cuba but throughout the world. Even the developed countries have good agricultural years and bad agricultural years. This is a factor that cannot be predicted. However, the very difficult situation of resource availability and the uncertainty surrounding the coming year to some extent, does not allow us to be absolutely certain that we will have all the program's absolutely indispensable resources at the necessary moment.

We have the conditions to continue growing and we are going to give it our best shot, do everything we can. We think we will be able to do it. However, the populace must be made aware that these factors have an influence on the future of these results.

Since we cannot talk about everything having to do with the food program—you will remember that a program was set up for each activity—we should say that, in all these activities, all the food program activities, there is a program and a set of measures for tackling this situation. It is not a matter of waiting until we have more resources so as to resume the plan. As I have explained here: biological fertilizers, biological pesticides; plows, oxen, mobilizations—these things exist in all the food program activities. Now, in some of [words indistinct] can be done more quickly, and in others less quickly, and in some aspects imported resources have a greater impact, and in others a lesser impact. They all, however, have an alternative plan, and the necessary effort is being made in all of them.

Let us talk briefly about milk production, a matter so important to the population and where there has been a significant drop in production. I told you about how there was a decrease in imported livestock feed.

In 1989, milk production was at around 740 million liters; and now, we might finish the year with a production of some 335 million liters. That is, we will have produced approximately 45 percent of the amount of milk produced in 1989. The main cause of this is a lack of cattle feed. A factor that we should bear in mind and that affects the speed with which we can respond to the problem: Our cattle-raising industry was designed, conceived....[pauses] its production technology was based mainly on cattle feed. When, in view of a lack of cattle feed, an alternative program for producing cattle grass was made—which is the only path, under conditions such as these—the cattle do not assimilate that kind of food in the same way. The cattle are of a genetically finer breed, bred to produce with cattle feed, and now they have to produce with grass.

The plan consists in applying what has been given the name Voisin Rational Grazing System, which has also been explained publicly. Now, what does this consist of? How much time do we need? Well, we have to build.... [pauses] We have to adapt.... [pauses] We have to create grazing lands at 10,000 cattle farms. We have to construct grazing lands. This means more fences. It means fence posts, wire, and electricity. It means planting the pastures. It means planting the protein banks—principally [eucaena] and [glicinia]. It means production of a coarse feed, on the basis of all those products. It means planting sugarcane so as to obtain sacharina right there, at the cattle farm itself. So, we have been making this effort over these past few years.

Today we are working essentially on those 10,000 cattle farms. There are at present, 4,700 Voisin Rational Grazing Systems in place. There is a possibility of finishing all of them next year. Along with this, there is the training of the work force, because the work force plays a fundamental role here. This is a system that consists—very briefly—of penning up the animals in a relatively small space, where they feed and where they also fertilize the area with their own urine and feces as they feed. When they have exhausted the grass available there, they are put into another area.

Each pasture has to have water available. That water must be carried there by means of plastic pipes. Those pipes have to be produced. They are being produced. The troughs for the water must be built. We have been working on all of this. It takes a certain amount of time to build these grazing facilities and to begin to obtain the desired results. In addition to this, however, there must be a genetic modification of the breed, especially in the western part of the country—in Havana, Cienfuegos, and Matanzas, where the finest breeds were. We can today say that in provinces such as Las Tunas, Guantanamo, and Santiago de Cuba there has been a slight increase in milk production this year compared to last year at the units where this system has been being applied and in the province in general, because there is a less fine breed of cattle there.

This milk production does not have the potential that milk production by cattle feed has, but we can obtain an increase in comparison to the present situation. One could ask oneself why we chose to produce milk based on the use of cattle feed. Well, that was a perfectly correct policy under the conditions of our economic relations with the socialist bloc. If we sold our sugar at $800 a ton, nothing was more reasonable than buying wheat at $80 and soybeans at $300 and feeding the cattle—or poultry—livestock feed and obtaining greater production with a greater yield, and one with a higher return. Given the condition the economy is in today—impossible to predict—it makes sense to conduct cattle operations based on grazing.

We have here an example of a type of production that has dropped a lot, as well as an example of a new alternative with which to tackle the problem—which does have a future, does have possibilities, but which requires time.

We should also point out that the limitations in the milk supply to the population are due not only to a decrease in

production but also to the interruption of certain agreements we had to buy powdered milk. In addition to the milk we produced, the nation used to import some 36,000 tons of powdered milk. Approximately 10,000 came from the USSR; approximately 6,000 used to be purchased on the capitalist market; and 20,000 tons, which is 200 million liters of milk—a huge quantity in our milk consumption—were the result of an agreement with the GDR, an agreement under which Cuba exported 20,000 tons of torula and imported those 20,000 tons of powdered milk. Under that agreement, the prices were favorable for us, and Cuba used to make the investments in the torula factories in the country, and even invested in powdered milk production in the GDR in order to guarantee those capabilities. This agreement remained in effect until 1995.

These agreements were unilaterally interrupted, without anyone's asking what the people who were drinking those 200 million liters of milk were going to drink henceforth. The nation has had to face the loss of that agreement at a moment when production is dropping too. This year, we.... [pauses] The nation's leadership has decided to import some 36,000 tons of powdered milk bought on the international market, despite the increase in prices. We are importing practically the same amount we were importing before, substituting purchases on the capitalist market for the 20,000 tons that we used to get due to our relations with the GDR, and that we have lost. However, it has been decided to spend that very great amount of money in order to ensure that children from birth to six years of age will continue to get their milk—which is what we have been able to guarantee thus far.

That is to say that, in the case of the milk, of course we know how important this food product is; how it affects the population of all ages. However, I have briefly explained this, so that people can see the effort we are determinedly making to guaranteed milk for children from birth to six years of age. That is what we can objectively aspire to under the current conditions. In regards to the future, well, there is a possibility of increasing milk production by applying this system, which requires a certain amount of time and which we are building speedily and which we will finish next year, or in the first months of the next year, and by means of which we can increase milk production. We might also be able to increase the availability of milk to the extent that the country can improve its situation and, having more resources available, be able to also import a certain amount of milk.

That, however, is the situation at the present time. I have given two examples so as to paint a clear picture, and especially to stress the idea that not one single objective of the food program has been abandoned. There are some that we have objectively decided to defer. Especially the ones that require investments, because if we are not using the capabilities we have to the maximum, we must not create additional investments. However, in regards to the ones that have to do with production, each one of those programs has an alternative for this critical special period.

[Rodriguez] Pedro Martinez Pirez?

[Martinez] Well, Lage, time is really flying, and the subjects are extremely interesting, and I am going to bring up one I think is very important, perhaps the Achilles' heel of our economy, and possibly at the present, the Achilles heel of our country: the fuel problem. Cuba's energy problems. We see, from the information you are giving us, that imports came to 6.1 million. I would like to know, also, what role is the national production of crude oil playing? We know that our crude oil is basically heavy, contains a lot of sulfur, and so forth. We know that there are new fuel restrictions on the horizon, announced already, for the month of December. We would like to know.... [pauses] That is, bring this subject up to date a bit. Approximately 10 months ago, we heard your comments on the existence of a lightweight oil in Ciego de Avila and also on the prospecting that is going on in the sea north of Matanzas. How is the situation? Are there any sure hopes of our having, even in a medium-term, a better situation, a lesser dependency on fuel from abroad?

[Lage] Yes. Look, the country has a complete program to confront the energy situation. It is very complex at the present time. If we do a quick count, if we have 6.1 million tons of oil imported at $140 per ton, this year we will have to invest more than $800 million, almost $900, or $850 million to import fuel in order for the country to have half the amount fuel we had previously, in an economy which used to consume approximately $2.2 billion. Think of the efforts the country will have to make to guarantee this fuel. Therefore, right away, next year's fuel availability is directly related to Cuba's ability to import fuel, given all the circumstances we have as I was explaining.

Now, there are alternatives the country can use. On one hand, there is the possibility of increasing our exports and therefore having greater possibilities of buying oil. This is an effort which we must develop throughout the years. However, there are alternatives so the country is less dependent on the purchase of fuel. You mentioned national crude oil. This is a field where they are making, let us say, a serious, integral, well conceived effort. In 1991, the country produced approximately 527,000 tons of crude oil. They extracted this amount. Previously, it was more as you will remember. This earlier extraction, however, was mainly from the Jaruco oil field and this oil field stopped producing because of certain problems, its geological character, technical problems, and so forth. As a result, production began to drop to this level of 527,000 tons.

A complete program has been devised and the country should obtain 900,000 tons of fuel. It should extract 900,000 tons. This is an important growth in national crude oil production and this amount has been added to

the imported fuel throughout the whole year. There is a very important effort, together with this, that include the investments which the electricity industry, and the whole industry in general, are making so as to have similar capabilities as the national crude oil. This crude oil is heavy with a high level of sulfur. Remember that a few years ago, the electric plant could not use more than 10 percent of national crude oil. It has to be imported crude. Well, we can tell you that right now, the country's electric generation uses 35 percent of national crude oil and 65 percent of imported oil.

This is the result of investments and expenditures that had to be made, of technical modifications at the electric plant so as to allow them to use heavier oil with the fewest possible problems to this industry. This is what other industries have been doing. We have the resources to begin using 40 percent of national crude oil in electricity generation in 1993. We have the resources to use up to 200,000 tons of national crude oil in nickel production in 1993 where we could not use national crude oil before. These investments are in the process of being made and we can use these amounts in 1993. This is also being done in the cement industry. So, there is an effort to extract more national crude oil and to use this national crude oil in our industries.

[Martinez] Dry cement production, right?

[Lage] Dry cement production and at the wet cement factories also. The dry cement factories are ready and the others are being readied, but in all the cement factories, some finished and others still being prepared, they are adapting, and there are projects to adapt them to use national crude oil.

Now, what are the growth perspectives? The oil fields have shown this growth and this year's growth is mainly due to the Varadero oil field. That is what it is called, even though it is not the peninsula, it is outside Varadero. In fact, there are reserves from which we can extract greater amounts of oil. To extract greater amounts of oil requires a more efficient extraction technology, the drilling of new wells, studies of oil deposits. All these oil industry investments are very costly. It can cost $10 to $15 million to drill just one well. They are very costly investments. They have a very sure return, but over a long period of time; very sure when there is oil but in X number of years.

Without a doubt, the conditions of our economy, without abandoning the sure, long term investments, in a situation like this one, the priority must be given to investments with a quicker return. The country really does not have the resources to make possible an oil development on its own. The decision was made several years ago to open the possibility of drilling, of drilling studies on extraction by foreign companies. An international bid is being prepared for certain areas in the country where geological information indicates the possible existence of oil.

Several companies are participating in this right now in Cuba. It is something which we do not talk a lot about because of the pressure which everyone who comes to invest in Cuba is subjected to. It is a topic which we should not talk about in detail, but yes, I can say that there are participating companies. I can say that this opening of foreign capital is generally realized under the conditions and requirements produced in the world. There are no additional restrictions by our being a socialist country. The conditions are approximately the same as the conditions for so-called risk exploration and we can say that this process is being supervised with the greatest rigor and seriousness. This process is progressing.

What oil perspectives and amounts are there that cannot be verified? What guarantee do we have that this firm will continue to the end of its participation process or that other firms will become involved? This cannot be verified but we can say today that this process has the highest priority. There are possibilities that national crude oil, in 1993, will grow a little more, perhaps around 1 million tons of oil with a possibility of even greater growth. It depends upon the participation of foreign firms. I think that this is the information that we should give to this point.

It is true that in Ciego de Avila, which I mentioned, there are deposits of lighter oil but they are much smaller deposits; approximately 45,000 tons this year of an oil that is in deposits which are used up much quicker. It seems to me that today there are better proven prospects. This is an area being studied or drilled. There are no more wells from which we can extract greater amounts. However, we are extracting the amount I cited. I think that there are prospects for national crude oil and it is being given the highest priority.

There are other energy topics that we could talk about some other time, which also are related to the country's energy stability. I have concentrated on this, which is what you mentioned.

[Cruz] I think it would be worth it to expand upon some other aspects of foreign investment, where possible of course, because I feel that there is a lot of interest in this topic and because evidently, this is one of the alternatives being implemented to propitiate possible economic activities. Some, at least, think that, and I would like it if you would, please, explain what some kinds of foreign investments are, and if they are happening like we want? What is the status in respect to this situation?

[Lage] As you know, the regulations with which the country has to assimilate foreign capital precedes the process of these most recent difficulties of the past three or four years. That is, even under normal conditions, in our integration of the socialist bloc, the possibility and alternative of assimilating capital for certain development programs were obvious. During these years of difficulties, we have promoted this alternative. The realization of agreements, like economic partnership

agreements, have been promoted. We can say today that 76 economic partnerships have been approved. It is a number that really does not say much, but there are some that are more important than others. It is a process of ups and downs. An agreement can be adopted. We can make an economic decision that can be suspended because it does not work well. Others could be added. We could tell you, as an appraisal of the results of these three years, that this process is going slowly.

It is going slowly as a consequence of imperialist pressures. We are not exaggerating in the least when we affirm that each time any one comes to invest in Cuba, they are pressured by the U.S. authorities. It is no longer CIA pressure or pressure from counterrevolutionary groups, I am talking about pressure from U.S. authorities. That is, it deals with ambassadors who harass investors in Cuba. It is a sad, ridiculous role for an ambassador, who has the mission to oversee those who come to Cuba with the intention of investing, to call them, to threaten them, to pressure them.

Therefore, without a doubt, this investment process is suffering from these consequences and we could say that this is what has slowed its progress. Despite this, it is progressing. Fortunately, there are, and will always be, independent and courageous people in the world. We think that this process will continue to advance despite these pressures that are, undoubtedly, a contradiction of Yankee policy, because they yell everywhere that Cuba must open up, but when we make an economic opening—they block it. This is part of the immense number of contradictions which U.S. policy has in regard to Cuba. This process is advancing.

A characteristic of this very important process is that it is being produced in an orderly manner in the main sectors of the economy that most interest us. Today, you might visit some former socialist countries and find thousands of private, commercial, and joint enterprises, and if you check, 90 percent of them are financial trade middlemen. They are not in the productive sectors. These economic associations in Cuba are in tourism, basic industry, the steel industry, the construction materials industry, and agriculture. Those are the principle branches where we have those relations. This does not mean that they are not in other branches, but the main effort is being made in the production branches that deal with the country's development. In Cuba, there are opportunities—in some cases exceptional—for the investment of foreign capital.

It does not only deal with the economic facilities that exist. That is, for example, no taxes on gross income; there are possibilities to freely repatriate profits; taxes on net income are small and subject to negotiation. In short, there are these types of facilities which are preferential in relation to investments made in other countries.

However, there is another kind of facility. That is, for example, a highly trained work force, which is lacking in practically any other developed country. There is public order in the country. There is social stability, which even some of the more rich countries of our continent lack today. There is order and social stability in Cuba. There are serious authorities, who fulfill their commitments and responsibilities, with an ethical conduct. One very fundamental thing for us is that there are no bribes. This is something that we can say today: there may be speculators, there may be someone who is corrupted, there may be these kinds of problems, but no one has to be bribed in Cuba in order to establish a business. None of these partnerships have needed to bribe a state official in order to be established. These partnerships are the result of a mutual agreement between the foreign investor and Cuban authorities.

Conditions of this subjective order appear and are very attractive for the investment of capital together with other regulations of this nature. We should also explain that these investments are not preceded by an extensive set of legal regulations and restrictions of a different character. In this sense, it is without a doubt a new process for the country. It is a process where there is not sufficient experience and we prefer that the regulations do not precede the process but that they accompany the process.

Therefore, we could say that there are very few restrictions on the possibility of making one or another type of investment—in the sense that every possibility, every option, each offer, each business deal, can be analyzed in particular, individually, and can be the object of special regulation. We prefer joint ventures, but we are not excluding the possibility of having the foreign investor provide all the capital himself. We would prefer, of course, that such an investor be Latin American.

That is, we think this process has good prospects, that it will continue to produce good results and that it has had these characteristics as a consequence of the pressures by the United States.

[Rojas] Lage....

[Rodriguez, interrupting] Excuse me Rojas, but before the next question.... [pauses] Martinez Pirez and Pedro Rojas had both asked me for the floor, but I would like to point out that our television viewers can participate. We have three telephone lines set up for this. I will repeat the numbers: 30-0521, 30-9851, and 30-9849. Sorry for the interruption, Pedro Rojas.

[Rojas] So, those of us present here are not enough? [laughter] In regards to this subject, the matter of investments and joint enterprises, which the callers have also mentioned, there is interest in knowing whether these joint enterprises are aimed only at obtaining hard currency on the market abroad or whether it is also possible that such producers might become direct suppliers to our domestic economy.

[Lage] Yes, well, look, either way—and this is one of the advantages of assimilating foreign capital into a socialist

economy, into a planned economy—this ends up benefiting the population, regardless of how the association comes about, because the Cuban side's share of the profits is part of the state's resources. It is incorporated into our planning. The resources do not belong to the enterprise that is participating, much less to the enterprise's director. They are resources that belong to the state, to the central government—resources the state can direct. The state can, for example, order that we buy powdered milk using the resources of an enterprise which produces cement for export. That is to say that any, or all, of these associations turn back into benefits for the population.

However, in the sense that you are asking about, the fact that some actually turn back into benefits in a much more direct way is important. Let us take, for example, a joint venture on a citrus plantation. Those citrus plantations require fertilizers, chemical products, irrigation—which means fuel—and so forth; and with regard to a joint venture for a citrus plantation, if the plantation does not have these resources, production will decrease progressively. We have entered into such joint ventures for export. Now, by our contributing the citrus plantation and the work force, the foreign capital's contribution here becomes fertilizers, chemical products, capital for fuel, and so forth. Those plantations then show an increase in production. They obtain higher yields per hectare. The fruit that is earmarked for export is generally just part of the total amount of fruit produced. Therefore, there has been an increase in production. It is kept up for the first few years; and with time, the amount of fruit earmarked for consumption by the population even increases. That is to say that from both the point of view of direct production .... [pauses] However, even when it is a matter of export resources, any way you look at it, the population ends up benefiting, because we are talking about capital investments in an economy that continues to adhere to its socialist principles of state ownership of the means of production, planned management of the economy, and a fair and just distribution of wealth. It is a matter of our having the necessary creativity and intelligence to increasingly assimilate this process within the principles of a socialist economy. This has indeed, up to now, been happening, and we are going to succeed at it.

[Rodriguez] Your turn, Pirez, since you asked us for the floor.

[Pirez] Lage mentioned tourism. This is a controversial subject in the national life. To what extent does tourism affects, shall we say—or to what extent could it affect, let us say—our population's domestic consumption? To what extent is tourism really guaranteeing our country's survival under the current difficult circumstances?

[Lage] Tourism is today, without a doubt, one of the nation's most important sources of hard currency income. It is also a sphere in which we have been obtaining good results. Under the current special period conditions, the nation decided to make this program a priority and to not only develop tourism—the existing installations—but also to not give up on increasing the nation's tourism capability.

In 1990, we had some 14,000 rooms available for international tourism, and at the beginning of 1993 we will have some 20,000 rooms—20,800 rooms—for international tourism. This means, over the last few years, we have been building at a rate of 3,800 to 4,000 new rooms per year. Now, how has tourism behaved in the past two years? Well, we can say that in 1992, tourism—which increased some 4.3 or 4.4 percent worldwide in 1992, compared with 1991—grew, in Cuba, by 32 percent in 1992, as compared with 1991. Income from tourism grew some 37 percent.

What is also happening is that more tourists are coming, despite the pressure and the embargo; and they are spending more per capita per day, in Cuba. The income per tourist per day has been increasing, let us say, from $77 per day per tourist in 1990, to $78 in 1991, to $89 in 1992, along with an increase in tourism. Tourism is already, this year, bringing the economy some $400 million. This is almost twice what it was four years ago. So the first idea that we must stress is that this program is working, growing, and already becoming an important source of income for the population; and is helping us to confront the problems we are facing today, and to acquire the resources we need so that the economy can function and the population can live.

Now, to what extent does it affect [domestic consumption by the population]? I would say that it does not affect it negatively to any extent at all. Tourism benefits the population. On any one day, the maximum number of tourists in Cuba is 14,100—that is—on any one day this year. It easy to understand that in a population of 10.8 million, 14,100 people are not going to affect the supplying of food to the population, but that is not all. Tourism works in the following way: The tourist industry provides its services. It brings in hard currency. From that hard currency, it takes however much it needs to acquire the resources necessary for it to continue providing the tourist services in question, and returns the difference—the profits—to the national purse. This means that if we, at a given moment, halt tourism in order to use all the money for the country's economy, we will then no longer have the money. I mean, the money that is invested in tourism does not come from some other source in the country. It does not come from some other productions. It is money that is generated by the tourist industry itself.

Furthermore, tourism leaves a surplus; and that surplus is then used by the country to buy foodstuffs and medicines, and for transport and fuel.

[Cruz] Precisely, in regards to medicines, I would like for you to give us some explanations, please, because I believe that in biotechnology too, lies one of the important potential sources of hard currency income. There is not sufficient clarity regarding the extent to which such

income might be forthcoming—through biotechnology, through the pharmaceutical industry. In addition to this, a contradiction exists in the minds of Cubans, and this is that, on the one hand, a development of the pharmaceutical industry is taking place. This is obvious, judging by the frequent reports in the news. Cubans do not know how this is working on the international market. On the other hand however, there is a real lack of medicines in the country, while there are also, in addition to this, health-care tourism services being provided in and by Cuba. I would like for you to explain as you did with [words indistinct] how these things occur, in reality. How do they benefit us? How are they prejudicial to us? So that people will also understand this, what is happening in this sphere?

[Lage] A question—or several questions....

[Cruz, interrupting] There are several questions. Several.

[Lage] It is one question, and I do not know how much time we have left, but all right, we can try to at least move forward somewhat.

Our reasoning in regards to health-care tourism should be the same as our reasoning as in regards to tourism in general. That is to say that Cuba is indeed developing health-care tourism. Here, it is the result of the policy of promoting tourism. It is the result of the prestige Cuba has in the field of medicine—of the public health levels reached; and of the prestige our professionals, our researchers, have in this field. This has led to an increasing interest in coming to receive health-care services in Cuba. This sphere operates in a way similar to the way tourism operates. That is, we provide those health-care services. Those services must be paid for in hard currency. That hard currency is used to guarantee that those services can be provided, and these services produce a surplus of currency.

We can say that practically [words indistinct] a 70 percent of what we take in is what needs to be invested in this activity. Therefore, there is a surplus, which is used for the rest of the activities of the economy. We can affirm categorically that health-care tourism does not affect the medical services to the population, the medical attention to the population. Rather, it is beneficial to the country's possibilities of (?resolving) those resources. It does constitute competition. In fact, it is even organizationally independent from them. In addition to the fact that the same reasoning applies as applies to tourism, in the sense that however much health-care tourism we might get, it does not weigh on us in regards to the amount of resources that must be managed in order to be able to provide medical attention to the population. However, the essential idea is this: health-care tourism leaves, rather, a surplus; and that very activity itself generates the resources that it requires.

The second part of the question: the medicine shortages. There are indeed shortages of certain medicines. At the present time, there are shortages in 229 different medicines in Cuba. This is an average. Some places may lack more; other places less. This is one of the most distressing problems, one of the problems that worries us most.

[Cruz] Indeed.

[Lage] It is one of the problems that most worries the population, as well as the nation's leadership. It is one of the problems requiring the most attention. We should point out the following, though not in an attempt to diminish the seriousness of the problem: WHO establishes that 349 medicines are required, in order to provide the minimum indispensable coverage, in regards to medicines, to a population. In Cuba, there are 1,303 medicines in use. This means that we are talking about 229 medicines lacking, out of the 1,303. Not out of the minimal medicinal coverage.

We are indeed lacking medicines. We have found ourselves lacking important medicines, medicines that have to do with people's state of health. However, we can say—we can assure people—here, that we have not lacked the medicines necessary to save a life. And the proof of this is that the population's health indexes during these special period years have not deteriorated. Indeed, far from deteriorating, they continue to improve. I mean, the infant mortality rate, for example, which is one of the most widely-recognized indicators of the general state of health of a population, which last year was 10.7. is 10.4 so far this year. In fact, on this date last year, it was greater than 10.7. Today it is 10.4. Maternal mortality has dropped from 3.7 to 3.3. Life expectancy was, three years ago, 75.2. Today it is 75.7. It is 67 for Latin America, and there are countries for which it is much lower. These are indicators of health in Cuba during the special period. Even in the special period, these indicators have continued to improve. We have prevented cholera from entering the country. Nevertheless, the country is ready to face cholera, should it enter, and to take immediate measures to control such an outbreak. Those resources and mechanisms are ready.

So, I mean, we do have a serious, grave difficulty, which does worry us; which we are monitoring daily; which is not easy to solve because it is related to the availability of resources to acquire what we need to meet a whole series of minimal needs, with which we are living and working. However, these things fall within the framework of this general situation. We could say, furthermore, that we know it, and that the maximum effort is being made—and will continue to be made in the coming months—to promote an improvement in this situation.

This is not in contradiction with the effort that the country is making in the medical-pharmaceutical industry and the biotechnology industry.

Can we continue?

[Rodriguez] Yes, do go ahead.

[Lage] I would say that, on the contrary, the efforts being made in the medical-pharmaceutical industry supports

this effort—facilitates, complements, promotes medical attention to the population. What are the results, to date, of our deciding over the last three or four years to set that priority? This sphere of a high-level, high-quality biotechnology industry, medical industry , was promoted especially by Fidel, a few years ago.

We can affirm that in the past four years, a little more than $300 million have been invested in this field in approximately 121 objectives in the medical, pharmaceutical, and biotechnical industries in new incentives such as expanding goals and the modernization of important goals. Today, we can say that these invested resources have been recovered from exports from these very centers. Exports in these years have already made up for, in hard currency, the invested resources, without these centers being fully operational. The investments in many of them will be completed this year and others will be completed next year. This is the first thing. The very exports of the first results of the program have made up for the resources and efforts required to promote this program.

A second aspect is that this effort has made for an increase in the production of national medicines. Just a few years ago, the country produced approximately 327 medicines and today, of the total number of medicines we spoke of, we do not produce 464 medicines in Cuba and the rest, almost 900, are produced in Cuba. Next year, the conditions to begin producing 100 of the 464 medicines will exist. That means, that the effort in this field has allowed the increase in production of national medicines and therefore this has reduced the resources that were allocated to import them. It is not the same thing to import the resources to produce them as importing the finished medical product. We can also say that this is another result which can now be evaluated in the medical and pharmaceutical industry program.

In addition, there are the results that this effort, which already produces certain products, directly relates to the state of public health and medical care. We could cite numerous examples. It would be little longer but just as the country produced a vaccination against meningitis, today the country has a nationwide vaccination program. This vaccine is unique in the world and this disease has been reduced to its minimum expression. It is no longer an epidemic disease in Cuba. Here, these are lives that have been saved, illnesses that have been avoided, and peace of mind given to the families. Before, any family that had a child with a fever, always worried about the meningitis. Today, they do not worry about meningitis.

For example, a vaccination for hepatitis-b also exists, recently obtained through genetic engineering. A vaccination program has begun for all children younger than a year. This disease is not very common but when it occurs it is very serious. This eliminates this worry. The Ultra Micro Analytic System allows us to do research. It is a relatively new piece of equipment and through its use we have been able to do massive research. For example, on hyperthyroidism. This disease, if it is not detected before birth, produces retardation in the child. Today, by detecting it before birth through this research, 96 percent of the pregnant women avoid the occurrence of this disease. Dozens of children each year avoid this disease of mental retardation. Thousands of families avoid this tragedy and thousands of pregnant women are freed from this worry about the possible alternative of this disease.

Almost all the medical industry products.... [pauses] The streptokinase, a new product, which is obtained with a high quality in Cuba, has begun to be produced so that all the emergency rooms have it. It fights heart attacks if it is administered within the first six hours after a heart attack. It has a positive effect on the recovery potential of the damaged cells. This is in the process of being produced and distributed to emergency rooms at all the country's hospitals. This means, that if we examine one by one, the products of the biotechnical and medical industries, which we have obtained, because they are new products, quality products which our research centers have developed, we can say that to the extent that efforts are made to export them, measures are immediately taken and resources are allocated to provide this service to the population. This is another very important result of the priority given to this field.

Finally, and briefly, there is the subject of commercialization. We have made progress in this field. There are the results which we have talked about, our aspirations and prospects are much greater than these results which have been obtained so far. We think that we will be successful in this effort because our products are of high quality, we have quality centers, we fulfill the necessary technical standards and requirements. We have the intelligence to influence and enter this market. How much success will we have? To what degree? How long will it take? Here, we are not only subject to transnationals' competition, not only subject to trade restrictions, but we are also subject to imperialist pressures and the campaign they wage against our medicines. If you remember, there is a paragraph in the Torricelli Law, which refers to products relating to biotechnology. These products cannot be imported by Cuba, not even if inspected by the United States. We can say that there is an implicit recognition by the Torricelli Law regarding the development of biotechnical prospects in Cuba. However, we have to make this effort. We cannot say that it will be completely successful in a short period of time. We believe it will be completely successful because we have the knowledge, technology, force, intelligence, and the educational level of our professional scientists and we must wage this battle.

[Rodriguez] Well, you can get a drink now if you want.

[Cruz] We still have questions.

[Rodriguez] Many questions. I have a question, perhaps a little off the subject. There are many questions that have not been answered: the sugarcane harvest, nickel,

currency surpluses, a number of things. I do not know. You kindly acceded this time. We have time next week, Monday, Wednesday, Friday.

[Cruz] Not on Friday, that is too far away.

[Rodriguez] But, now I do not know if Comrade Lage can. I think many important things still remain.

[Lage] Sure, why not? We can arrange another interview like this one. It could be useful.

[Rodriguez] Can we do it again on Wednesday? At the same time? Good, we will leave it until Wednesday. I have a question about something that happened three days ago. I am not going to lose this opportunity, since we have Comrade Lage here with us. The U.S. elections, I would like you to give me your opinion on the results of those elections.

[Lage] I can tell you that the significance of Bush's defeat is the defeat of the most reactionary wing, the most conservative wing, of the most war-like wing in U.S. politics. Yes, Bush's defeat signifies the defeat of the political sector. It signifies the defeat of the far-right and war-like of U.S. sector. Bush's defeat signifies, in relation to Cuba, the defeat of an administration which has carried out an extremely hostile policy against our Revolution, a very aggressive policy against our Revolution. They have carried out a policy of hostilities against our Revolution, against the Revolution, against our people, against the lives of the population. To the extent that the measures of embargo have been promoted and implemented, they are measures relating to the lives of Cubans. Bush's defeat signifies the defeat of this policy regarding Cuba.

This does not mean that we expect this policy to automatically or necessarily change. Bush has been defeated, not imperialism. Imperialism remains. Imperialism continues with its interests, with its hegemony, with its arrogance. I repeat that we should not expect that this policy will automatically or necessarily change. Therefore, we have a duty, the responsibility to prepare ourselves to carry out our plans, our programs, and to be victorious with our plans and programs under any circumstances.

The causes of Bush's defeat, as was explained, as this program explained, among the many good things it does, were the internal problems of the United States, the economic situation in the United States. We are talking about the economic situation of a developed country. We are talking about the U.S. economic situation in relation to themselves in previous years, in relation to their own problems. However, it is known that during these years of a Republican administration, where they implemented a neoconservative policy, 60 percent of the U.S. families have seen a reduction in their personal income. It is known that more than 2 million industrial jobs have been lost during these years; that industries have left the country. It is known that there is an increase in unemployment. It is known that the campaign issues of the Democratic Party, which won the population's vote, are the ones that have to do with the deterioration of the health and education systems and attention to the more needy sectors of that country.

It is interesting that a neoconservative program has suffered a defeat, a program which they exported to the world, and to a certain extent, imposed it on some parts of the world. We see that this very neoconservative program, exported and imposed on other countries, after several years, had negative results for the United States, even though dealing with a developed nation, and spoiled the reelection of the U.S. President. This is how we see the significance and the causes of this election.

[Rodriguez] Well, we are not going to take more of Comrade Lage's time. It has been 48 [as heard] minutes. We thank Comrade Lage very much. We are aware of your numerous responsibilities.

[Lage] This is one of them.

[Rodriguez] Well, thank you very, very much for your presence here. Thanks to the journalists: Soledad, Pedro Martinez Pirez, and Pedro Rojas for your presence. Thanks to our viewers. Then we will see you again on Wednesday.

[Lage] Next Wednesday [0230 GMT 12 November]. It will be my pleasure.

Inter-Caribbean Affairs

Windward's Banana Industry Records Losses

FL1011184292 Bridgetown CANA in English 1658 GMT 10 Nov 92

[Text] Castries, St. Lucia, Nov 10, CANA—The Windward Islands banana industry lost almost half million dollars (1 EC dollar = 37 U.S. cents) in earnings over the past three weeks as a result of the falling value of the British pound, a senior official said Tuesday [10 Novemberz]. Michael Augustin, senior economist at the Castries-based Windward Islands Banana Growers Association (Winban), estimated losses for the industry at 450,000 in an interview with CANA.

Since September, the value of the pound sterling has declined as a result of instability within the European Monetary System. Augustin said the exchange rate for the pound had dropped from EC4.47 dollars three weeks ago to EC4.17 dollars at present.

"You are looking at a 7 per cent drop in earnings resulting from the drop in the exchange rate in terms of dollars and cents," he said. "You are looking at a drop of 450,000 dollars."

Augustin said Winban did not anticipate the pound to drop significantly below its current value. "The lowest we anticipate it to drop will be 4.15 dollars," he said.

Three weeks ago, the Windward Islands—Dominica, Grenada, St. Lucia, and St. Vincent and the Grenadines—shipped a total of 5,603 tonnes of bananas to Britian, earning an estimated 7.04 million dollars. Augustin said last week's shipment of 5,382 tonnes had brought in just over 6.2 million dollars in revenue to the National Growers Associations which form Winban. Augustin said the drop in tonnage was due primarily to a drop in production in St. Lucia where one of the boxing plants had instituted a six day cutting period.

Windwards banana exports to Europe face an uncertain future after 1992 with the islands pushing for retention of current preferential treatment and some interests in Europe, Latin America, and the United States urging liberalization of the European banana market.

Haiti

Conference on Repression Issues Resolution

FL1011163192 Port-au-Prince Radio Tropic FM in Creole 1300 GMT 10 Nov 92

[Text] The resolution by an international conference against repression, in solidarity with the Haitian people's struggle, was published in the morning of 9 November. In the resolution, the participants condemn the repression prevailing in the country. They condemn torture, beatings, and arbitrary arrests being made especially in the peasant sector where section heads do what they want. According to the resolution, about 40,000 people were forced to leave the country because of repression. The organizers of the conference launched a large international campaign for the respect of human rights and for the return of democracy in Haiti. The participants denounced the arrests of (Rodrigue Flamand), second deputy mayor of the Lascahobas Commune; Rubens Francois; and Choupette Petion; and the fire set to the home of a peasant while he was participating in the conference here in Port-au-Prince.

The people's organizations committee says it will launch a movement to speed up the return of President Aristide and all those who were elected in the 16 December 1990 and 20 January 1991 elections.

[Begin unidentified speaker recording] After all those violations, we demand: The physical and unconditional return of President Jean-Bertrand and the elected representatives of the 16 December 1990 and 20 January 1991 elections. We understand that the OAS and the United Nations are playing cards [as heard] with us, with our blood. We cannot play. The mischievous game must end. [end recording]

The foreigners, who were participating in the conference, expressed their satisfaction. (Ralph Shunman), member of the International Committee Against Repression, congratulated all participants in the conference. (Shunman) said this conference proves that the Haitian people are not alone. Mrs. (Norca Milano), a Venezuelan deputy who also participated in the conference, stated that she would leave with the feeling that the Haitian people have rejected the dictatorship government, that she would leave with the feeling that the people want democracy, that is the reinstatement of all those who were elected in the 16 December elections. According to Deputy (Milano), the international conference has reinforced the feeling to help democracy, that is the right to eat, the right to an education, and the right to work in Haiti.

Mayors Condemn Nepotism in Territorial Assemblies

FL1011213792 Port-au-Prince Radio Soleil Network in Creole 1200 10 Nov 92

[Text] In a communique dated 5 November, the Association of Western Mayors [AMO] denounced sectors that are trying to install their friends in place of those who won the elections. AMO condemns these maneuvers and insists that these assemblies must consist of credible people.

Hijacking Threats Stop Coastal Navigation

FL1011222792 Port-au-Prince Radio Tropic FM in Creole 1300 GMT 10 Nov 92

[Report by Jeansoi Joseph]

[Excerpts] Port-au-Prince people who want to go to Jeremie cannot; Jeremie people who want to come to Port-au-Prince cannot. The boats that do the Jeremie/Port-au-Prince journey are not operating because of hijacking threats against the sea carriers. The following is a report by Jeansoi Joseph.

[Begin recording] [Joseph] A number of armed men want to take the boats going to Jeremie by storm and force them to go to Miami. Those pirates prevented the boat Caridad from leaving [Port-au- Prince] for Jeremie on 6 November, according to boat captain Jean-Joseph Jean. Due to this situation, many people—who cannot pay bus fares or helicopter fares—must refrain from traveling between Jeremie and Port-au-Prince. What are the options? Let us listen to the boat's captain.

[Jean] ..... is because every time the boat travels, a lot of boat people board it. They travel with weapons and all their belongings. One cannot prevent these people from boarding the boat, but our lives, as well as those of the people from Jeremie, are in danger. Consequently, the two boats that [usually] do the Jeremie journey are not operating. I believe it is only Jeremie that has the problems. If Jeremie has problems, the Haitian Government must cooperate to put an end to the troubles these wanderers are causing on the boat.

[Joseph] Have you not been able to identify the people who do so?

[Jean] Not at all. They are people who come from other regions. One cannot know exactly who they are. One sees they are strangers. One realizes—after questioning

them—that they come from Gonaives, Jacmel, Port-de-Paix, Leogane, and Saint-Marc. It is they who tell you where they are from when you ask them questions. However, in the meantime, the local people still have the problem.

[Joseph] As the captain of the boat, what do you intend to do?

[Jean] Well, what the boat's owner has decided to do is to discontinue operation until the Haitian Government does what it is supposed to do.

[Joseph] There are only two boats that go to the Grand'Anse area: Caridad and Quoncet. Each of these boats can carry between 250 and 300 persons at the rate of 25 gourdes per person. The peddlers, who have, since 5 November, been preparing to go to Jeremie to get goods, and then back to Port-au-Prince to sell them, have not so far been able to do so because the companies in charge of the boats, such as Caridad, for the company Sogama, have decided to have the boats drawn alongside so that the pirates do not sink them because the fuel can allow them to get only as far as Jeremie. The peddlers are complaining a great deal. [passage omitted] [end recording].

According to our sources, the police have arrested one of the pirates who intended to hijack the boat Caridad to Miami.

El Salvador

Cristiani: FMLN Must Begin Arms Destruction 1 Dec

PA1111172692 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Nov 92

[Text] President Cristiani says that pledges pertaining to the Armed Forces issue will be implemented if the Farabundo Marti National Liberation Front [FMLN] begins destroying its weapons on 1 December. Regarding dates pertaining to the Army purge, President Cristiani said that until the UN secretary general discloses them, everything said with regard to those dates constitutes speculation.

At his usual weekly news conference with the media, President Cristiani announced that, during Special UN Envoy Alvaro de Soto's visit, the sides established points of consensus that will allow the peace process to conclude on 15 December, in keeping with the schedule proposed by UN Secretary General Butrus-Ghali. Cristiani said that during bilateral meetings with De Soto, the sides established the dates that will follow 1 December, the date on which the FMLN is to start destroying its weapons, thereby allowing the Armed Forces to fulfill its pledges.

[Begin Cristiani recording] I have been told that in keeping with this system, the FMLN also has more or less informed the secretary general that it will fulfill its part of the agreement; the FMLN has virtually adhered to the schedule presented by the United Nations in the proposal set forth by the secretary general at the end of October. [end recording]

The president added that an effort is being made to establish dates between 31 October and 15 December, adding that if the FMLN starts destroying its weapons on 1 December, on the eighth of the same month, the government will start dismantling the Atlacatl Battalion, and 30 days later it will demobilize the two remaining elite battalions. Cristiani also said that until the UN secretary general discloses information regarding the Ad Hoc Commission, everything that is published is speculative.

[Begin Cristiani recording] I must ask you to refrain from speculating because we have agreed with the secretary general to maintain the confidentiality of the Ad Hoc Commission's report and I believe this is the best way to ensure the continuity of every aspect of the process. [end recording]

To conclude, President Cristiani announced that he has suspended his trip to Spain due to the delays in the peace process. He said he may travel to Spain in February 1993.

Registration, Collection of Arms To Begin 12 Nov

PA1211043892 San Salvador EL DIARIO DE HOY in Spanish 11 Nov 92 p 2

[Text] The Defense Ministry has announced that the registration of authorized weapons and the collection of weapons that should be exclusively used by the Armed Forces, as well as other weapons and war materiel, will begin on 12 November.

The measure will be implemented to comply with the peace agreements signed between the government and the Farabundo Marti National Liberation Front in Chapultepec, Mexico in January.

The Defense Ministry announced that citizens are authorized to carry the following weapons after registering them: .22-caliber rifles; hunting shotguns; .22-, .25-, .32-, and .38-caliber revolvers; .22-, .25-, .32-, and .38-caliber semi-automatic and 9-mm pistols.

Weapons' registration and collection will be conducted at the following locations: in San Salvador at the 1st Infantry Brigade, Special Military Security Brigade, and at the Armed Forces Telecommunications Instruction Center (CITFA); and in La Libertad, at the "Lieutenant Colonel Oscar Osorio" Artillery Brigade in San Juan Opico, and at the Cavalry Regiment in Sitio del Nino.

In the interior of the country, interested individuals can go to the respective Infantry Brigade Commands or military detachments to register or deliver weapons. The deadline for delivering or registering weapons is 8 December.

It was also announced that licenses previously issued to carry or own weapons not stipulated by the law will no longer be valid.

The Defense Ministry said that any individual or private or government agency requiring security services can obtain information at the authorized transitory units until the new "Law for Private Security Agencies" is approved by the Legislative Assembly. That new law will regulate the operation of entities, groups, or persons providing security services to private enterprises or state institutions.

ONUSAL Praises Government, FMLN Cooperation

PA1111013192 San Salvador LA PRENSA GRAFICA in Spanish 10 Nov 92 p 38

[Communique issued by the UN Observers for El Salvador, Onusal, mission in San Salvador on 9 November]

[Text] After eight days of consultations in San Salvador held separately with President Cristiani and the Farabundo Marti National Liberation Front [FMLN] General Command, UN Under Secretary General Alvaro de Soto on 6 November reported to UN Secretary

General Butrus Ghali that an agreement had been reached on the forthcoming phases of the peace process in El Salvador.

The secretary general and Mr. de Soto wish to praise President Cristiani and the FMLN for the constructive spirit and the genuine cooperation both parties have shown to overcome the difficulties that had arisen and that resulted in the mission by [UN Under Secretary General Marrack] Goulding and Under Secretary de Soto. This is a positive sign of good developments in the delicate process that will culminate with the formal end to the armed conflict on 15 December 1992.

Mr. de Soto returned to New York on 7 November to give a detailed report on the arrangements to the secretary general, who will soon report to the Security Council. Iqbal Riza, special representative of the secretary general, will continue coordinating with the Salvadoran Government and the FMLN on the arrangements for the verification tasks by Onusal in the forthcoming phase.
San Salvador, 9 November 1992.

Onusal Military Chief Confirms Rescheduling

PA1211035192 San Salvador Canal Seis Television in Spanish 0200 GMT 11 Nov 92

[Text] General Victor Suanzes Pardo, chief of the UN Observers for El Salvador [Onusal] Military Division, confirmed that the government and the guerrillas have reached an overall agreement to reschedule the implementation of the peace process regarding the Armed Forces and the demobilization of the Farabundo Marti National Liberation Front [FMLN]. The Spanish officer said Onusal must train the FMLN units how to destroy their weapons. The arms issue has been one of the most conflictive points in the implementation of the peace agreements. However, this matter will be cleared up thanks to a rescheduling of the elite battalion demobilization plans and the prompt destruction of the FMLN's weapons.

According to Gen. Victor Suanzes Pardo, chief of the Onusal Military Division, the FMLN will continue to demobilize its armed units on the prearranged dates.

[Begin Suanzes recording] The latest information I have—I received it on 10 November—regarding the demobilization of the fourth contingent on the 20th and the fifth on the 14th or 15th of December—I am not quite sure which day—will continue as agreed. The destruction of weapons will begin on 1 December as agreed. [end recording]

The weapons will be destroyed under Onusal's supervision; therefore the FMLN will receive training in the use of explosives as they will have to destroy them.

[Begin Suanzes recording] We have some experts in explosive destruction here, both from the military and the police. They are experts in what we call [word indistinct], or explosive defusing technicians. They will destroy the ammunition, all the explosives, and other devices. [end recording]

As for the doubts expressed by the UN secretary general about the number of weapons that have been surrendered, Suanzes Pardo said the FMLN is currently updating its inventory report. The military commander also said that, according to the new schedule, the Armed Forces will begin the demobilization of its elite battalions during the following weeks in December.

[Begin Suanzes recording] As you know, the timetable called for the Atlacatl Battalion to disband first, but it was suspended, as we are all aware, and has now been rescheduled. The president himself announced that it has been rescheduled. I am not sure, but I believe the Atlacatl Battalion will disband on 1 December. Under the new schedule, the Atonal Battalion would follow, and the Arce Battalion will demobilize last at the beginning of 1993. [end recording]

Regarding an Onusal presence following the completion of the peace accords process on 15 December, Suanzes Pardo said the UN secretary general has the final word, which is expected before 30 November.

Cristiani, Guatemalan President Sign Declaration

PA1111183392 San Salvador Canal Doce Television in Spanish 0300 GMT 11 Nov 92

[Text] The presidents of El Salvador and Guatemala signed a joint declaration on 10 November pledging to endorse democracies in the region, join efforts for Central American integration, and strengthen the two nations' economies.

In the joint declaration, the Guatemalan president supported President Cristiani, but he criticized the Farabundo Marti National Liberation Front [FMLN] and asked it to fulfill pending pledges.

Regarding that issue, the two heads of state expressed their concern about the actions which, in their opinion, undermine democracy. They reasserted their belief that a dialogue represents the appropriate means to solve controversies.

[Begin unidentified speaker recording] They reasserted the essential principle that international law represents the basis for relations between states, which should sponsor the establishment of a much more fair international order to allow all nations to carry out sustained economic and social development and achieve a much more harmonious and equitable coexistence. [end recording]

The two presidents reasserted their pledge to join efforts on political, economic, and social issues to counter the new challenges and demands at the international level. Jose Serrano Elias proposed reducing dependence on specific states or nations.

[Begin Serrano recording] I always believe a crisis such as the one we currently face will be good rather than bad because it will force us to seek other alternatives. We will reduce our economic dependence on specific groups of countries or economic systems when we have other market alternatives. [end recording]

Shortly before returning to Guatemala after having completed a two-day official visit in the country, the Guatemalan president visited the Supreme Court of Justice.

Advocate Talks With Mexico

PA1211040592 Guatemala City SIGLO VEINTIUNO in Spanish 11 Nov 92 p 8

[Text] At the end of the Guatemalan president's visit to El Salvador, Guatemalan President Jorge Serrano and Salvadoran President Alfredo Cristiani announced that it was advisable for Central America to negotiate collectively a complementary economic agreement with Mexico.

The presidents felt that such negotiations would bring the Central American nations together, yield effective results, and produce the greatest possible benefits.

They also noted the importance of "combining efforts to find alternatives so the recently signed North America Free Trade Agreement (NAFTA) will not represent a deviation of investments and trade toward other countries to the detriment of Central American countries and the other countries that benefit from the Caribbean Basin Initiative (CBI)."

The presidents also decided to seek the interconnection of their maritime ports on both oceans as soon as possible, "therefore they instructed their respective authorities to form a joint, high-level commission to carry out the pertinent studies," said the official communique.

Finally, regarding the economic aspects of the joint declaration, the presidents urged that the development of the "northern railroad corridor" be expedited.

They also agreed to continue supporting the initiatives intended to recover and stabilize international coffee prices at levels that are profitable for producing countries and equitable for consumer countries.

Nicaragua

FSLN Issues Document on National Problems

PA1111153192 Managua BARRICADA in Spanish 10 Nov 92 pp 1, 4

[Text] The National Directorate of the Sandinist National Liberation Front [FSLN] on 9 November demanded an immediate reply from the government to its 25 July position regarding the current economic situation and government policies, and warned that if the government continues to turn a deaf ear to popular clamor "it should not be surprised to see its credibility disappear and the people demonstrate to continue demanding the government fulfill its duties and commitments."

FSLN Secretary General Daniel Ortega read a document in the company of National Directorate members Victor Tirado, Tomas Borge, Henry Ruiz, Bayardo Arce, Rene Nunez, and Sergio Ramirez. The National Directorate plenum will meet with the government on 12 November to discuss national problems that are addressed in the 9 November document.

In this document the FSLN points out that "far from improving, the serious economic crisis facing the people has worsened," while "economic groups that thrived under the shadow of the Somozist system are now trying to recover properties and privileges" and "to bring back shameful forms of land and capital concentration." It also makes clear it disapproves of the use of property review mechanisms for political revenge purposes.

Finally, it supports a privatization process favoring workers, the Sandinist People's Army [EPS] as the republic's sole armed institution, and a National Police created "to protect society from crime and disorder."

The full text of the document follows:

Communique of the FSLN National Directorate to the Nicaraguan people.

The National Directorate presented for the consideration of the Sandinist Assembly a document entitled FSLN Position on the Current Economic Situation and Government Policies, which was widely discussed and approved on 25 July 1992. This document was presented to the government three months ago and we have received no reply, oral or written, to the positions it contains.

Meanwhile, the government has continued to implement unilaterally its economic adjustment program and to draw away increasingly from a social consensus and instead, it has dealt merciless blows to the people who see the ranks of the unemployed increase every day.

Far from improving, the serious economic crisis facing the people has worsened as reflected in the ill-timed increase in the General Value Tax to 15 percent. This measure, which was only partially corrected due to social pressure, continues to tax medicine, medical services, books, and other basic articles.

The implementation of compensatory programs to help the most needy, including the creation of temporary jobs and granting of hospital services, has been a permanent demand of the FSLN that the government has not heeded either.

Negative Results

The government considered that inflationary control, adjustment of fiscal expenditure, and restriction of bank credits would be enough to promote economic growth.

There is doubt because the results continued to be negative: GNP dropped, exports dropped, there was low public investment, nearly no private investment, and weak agricultural activity. There has been little implementation of sectorial plans using available resources to bring about growth in Nicaragua in the short run.

Meanwhile, economic groups that thrived under the shadow of the Sandinist system are now trying to recover properties and privileges by taking control of economic initiatives and trying to bring back shameful forms of land and capital concentration. These groups are also trying, through this means, to recover political power.

No Property Return for Somozists

We, Sandinists, favor fair compensation for all people who deserve it and have not yet been compensated. However, we voice our absolute opposition to any attempt to return properties or compensate those who were affected by Decrees 3 and 38 because they are members of the Somoza family or accomplices of Somozism.

This policy has been supported by unscrupulous officials who have given the famous "small pieces of paper" to representatives of the past and resorted to other forms of protection and complicity.

The FSLN will continue to defend those decrees as the product of a historic achievement of the Nicaraguan people against those who caused bloodshed and ruined the country under the dictatorship's protection.

There are plans to privatize state banks and the insurance business and place them again in the hands of privileged groups in violation of the Constitution.

In Defense of the People's Rights

After the transition protocol was signed, the FSLN struggled tirelessly for the people's rights: Land for the peasants, jobs for all the unemployed, and security in everyone's property. The FSLN has also persisted in its struggle for the preservation of the national stability, which can only be based on the respect for political participation without discrimination and the eradication of all forms of persecution and vengeful attitudes.

The objectives include attaining a real framework for an economic, social, and concerted agreement, which would include the participation of the workers on the land of the enterprises about to be privatized, the strengthening of the democracy, and a real respect for the Constitution.

The National Directorate demands an immediate response from the government to the proposal presented on 25 July 1992 and the initiation of a serious joint effort to discuss Nicaragua's economic and social future.

The People's Patience is Running Out

The government has enjoyed 30 months of the people's patience,—which lessens each day—ignored the people's outcry, and acted against those who have expected a responsible response. If the government continues on this path, it should not be surprised when its credibility runs out in the eyes of a people who will continue to demand the fulfillment of its duties and commitments.

Over the last few months, the U.S. extreme right wing used financial blackmail, imposed conditions, and got concessions from the government which, giving in to promises to disburse funds, undermined the country's self-determination.

These foreign pressures increased the instability because the poorer sectors were burdened with more costs. The FSLN demanded a change of attitude from the U.S. Government and the disbursement of the funds, which still have not come.

Now that the U.S. elections are over, the United States must open the path to overcoming the conflicts started in the past century and a process must be opened to promote respectful relations that may contribute to Nicaragua's stability and Central America's pacification.

National Stability

The FSLN believes that, in order to win respect, it is essential that the government, with the people, seek the solution to the crisis with their own effort, thus forging the future without foreign meddling.

The FSLN has been responsible in its contribution to national stability. Therefore, we call on the government to play its part, without hesitation, in the search for stability; reconciliation must be more than a slogan. We reiterate to our followers and supporters that they must merge, more and more, with the people who demand jobs, education, health, and justice.

The FSLN National Directorate states its categorical rejection of the revision mechanisms for the property created through the OOT [Office for Territorial Organization], of the Property Attorney General's Office of the new Commission of Revisions, being used for vengeful purposes and political revenge.

We strongly oppose the threats of displacement made by the mayor of Managua and other government officials against the settlers. We believe that dislodging those who are the legitimate beneficiaries of Laws 85, 86, and 88 is inadmissible.

The OOT has rejected, up to this date, half of the legalization cases that have been examined, thus putting thousands of Nicaraguans in a state of anxiety and indefinitely prolonging the property conflict, which affects the country's economic reactivation.

Solution to the Property Conflict

Therefore, we believe the land ownership problem should also be solved, once and for all, for the benefit of

the peasants, the cooperatives, the state-owned enterprise workers, the Army retirees, and the demobilized members of the Nicaraguan Resistance.

The steps for issuing the land titles, for houses and lots as well as for rural property, must be accelerated and completed without delay.

The National Directorate rejects the intentions of putting public service entities such as the Telcor [Nicaraguan Telecomunications and Postal Services Institute], the INE [Nicaraguan Institute of Energy], and the INAA [Nicaraguan Aqueducts and Sewage Institute] in the hands of financially privileged minorities through mechanisms of compensation or any other kind of measures.

We could run the risk of allowing these institutions to become redoubts of ultraright-wing groups, capable of denying the basic services of communication, electricity, and water to the weakest and poorest sectors of society.

We also oppose the privatization of the banks of the National Financial System and the Iniser [Nicaraguan Insurance and Reinsurance Institute]. These services must continue to be provided by the state and must be strengthened in order to support national producers as individuals or as members of cooperatives.

Support for Workers [subhead]

The FSLN National Directorate makes public its support of the just workers' struggle to obtain 25 percent of the ownership of all industrial, commercial, service, transportation, and tourism enterprises to be privatized either by preserving this 25-percent margin in each one of the enterprises or in others depending on their own interests.

We must incorporate the vast productive potential of small- and medium-sized producers, especially those individuals who benefited from the transfer of properties. To achieve this, we ask the government to draft and implement a comprehensive plan of legal, organizational, and financial support, including technical assistance, through a new development institution that can specifically handle this sector, which generates production and jobs.

Support for the EPS and the National Police

The FSLN supports the the EPS as the only armed institution of the Republic and we oppose any attempts to dismantle it. The country's stability requires the existence of a patriotic and professional army, the revolutionary roots of which are the best guarantee of its proven respect for the Constitution.

We also support the National Police, which was created as a respectful instrument to protect society from crime and disorders.

The country rejects attempts to create repressive groups. In addition, vengeful acts must cease because schools are being denied to students who protest and jobs are denied workers, who demand higher salaries and the ratification of collective bargaining agreements.

Respect Supreme Court Rulings

The responsible political forces must respect the ruling, which the Supreme Court must necessarily issue, regarding the violation of National Assembly statutes and the Constitution itself.

The deep transformations brought about by the revolution in Nicaragua must be defended at all costs by Nicaraguans who refuse to return to the times of Somoza. The concentration of wealth in a few hands, the return of greedy land owners, the granting of bank credits to a few, and widespread corruption are all part of this past, which is currently trying to make a comeback to do away with our democracy. The FSLN will not allow, under any circumstances, the return of the past and will be in the first lines of defense because that is its historic mission and its reason for being.

The FSLN National Directorate calls upon the people to join the workers' struggle for their property; the peasants' struggle for their land title deeds; the struggle of the unemployed for a worthy job; the struggle of producers for bank credit; the struggle for the elimination of 15 percent of the IGV [General Value Tax]; as well as the demands of students, teachers, and health workers.

Economic policies should be modified so that once the property problem is resolved, financing can be increased and the proper adjustments made to achieve the objective of economic development with jobs, production, and guarantees for basic social services for the people.

With a firm commitment in the construction of a Nicaragua that can improve the situation for all, we make this call to the entire nation because changes must be made now before it is too late for the government and for the governed.

Free fatherland or death!
FSLN National Directorate
[Signed] Daniel Ortega Saavedra, Secretary General

Tomas Borge Martinez, Victor Tirado Lopez, Henry Ruiz Hernandez, Jaime Wheelock Roman, Bayardo Arce Castano, Rene Nunez Tellez, Sergio Ramirez Mercado
[Issued] 9 November 1992

FSLN Calls for Change at Fonseca Anniversary

PA1011192692 Managua BARRICADA in Spanish 9 Nov 92 pp 1,5

[Report by Maria Alicia Talavera]

[Text] On 8 November, Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], issued a call to the government and all of the country's political and economic sectors, without any exceptions,

"to promote a true process of reconciliation to give strength to all Nicaraguans in order to work and produce in peace."

Ortega and six of the FSLN National Directorate members placed a wreath on the mausoleum of Commander Carlos Fonseca, leader of the Sandinist revolution. During the ceremony, he said the FSLN will meet with the government in the middle of the week to discuss national problems.

The FSLN National Directorate members participated in dozens of events to honor Fonseca held in various parts of the country over the weekend. The FSLN leaders' speeches focused on the defense of the Army as an institution, the refusal to return property to Somozists, and the demand for a change in the government's economic policies.

On 8 November, Daniel spoke in front of Fonseca's mausoleum, a mausoleum that was the target of a criminal attack last year. He said: "The Sandinists reaffirm our commitment to defend, with the people, the rights we won on 19 July 1979. We urge all Nicaraguans to unite in the defense of a fatherland that will be an inspiration and hope for all."

The members of the National Directorate marched with approximately 500 Sandinist youth from the statue of the liberator Simon Bolivar to the Plaza of the Revolution to pay homage to Commander Fonseca and Colonel Santos Lopez, considered the vital link between Sandino and the FSLN.

Tomas Borge, Victor Tirado, Henry Ruiz, Daniel Ortega, Bayardo Arce, Sergio Ramirez, and Rene Nunez placed a map of Nicaragua made up of flowers, with a red and black heart in the middle (Matagalpa, where Fonseca was born and died), on the mausoleum.

In a brief message, Ortega told hundreds of sympathizers that "the attitude of politicians and economic groups that seek revenge, added to the government's adjustment policies and attempts to snatch property from peasants, workers, and neighbors, have led Nicaragua to the brink of disaster." In the next few hours, the FSLN will issue a document that "we are still in the process of drafting," he said. It will address "all of the country's economic, social, and political problems."

Ortega added that the document will discuss not only reciprocity at the Office for Territorial Organization but, most seriously, the direction economic policy in general is taking, destabilization, property, and structural reforms.

On 25 July, the FSLN presented to the government its opinion on the economic policy, "and we are going to discuss this topic based on that opinion," Ortega stated.

In his message, he highlighted the unity of the Nicaraguan people, a determinant factor in preserving and enriching "our national identity." Carlos Fonseca "synthesized and renewed the thoughts of the patriots who preceded him in the struggle and developed Sandinist unity," a key element in the struggle against Somoza.

Now, neoliberalism intends to negate the fatherland. It is a neoliberalism "that makes the poor increasingly poor while favoring the accumulation of wealth in the hands of those who have it," denying the people the benefits of government policies; the right to health services, work, food, and education; and the right to own property, businesses, land, and houses, he noted.

The government's agreements and commitments are not in line with its actions, "thus, distrust increases and the entire nation becomes destabilized."

Ortega lashed out at those who introduced a crisis in the National Assembly; the economic groups and political parties that sponsor vengeful policies; those who attempt to strip peasants, workers, and their families of their property; and the government officials who disregard agreements and try to undermine the right to property ownership. He called on all of these groups to reconcile.

Since early on 8 November, the Plaza of the Revolution continued to be visited by people of all ages, each of whom put a flower on Fonseca's tomb.

Ninoska Larios, a young Sandinist from Corinto, said: "We are telling the rightists that they are not the only ones who can go forward. Fonseca will live forever in the hearts of the young people. We must go ahead."

Carlos Fonseca Teran, son of the head of the revolution, recalled the day his father died. "The unity of the Sandinists, our dead, and the children constitute the most sacred property of the revolution. Despite our natural and necessary debates, we are united, at least those of us of the rank and file who struggle day in and day out."

In a speech delivered at the plaza in the afternoon, Commander Tomas Borge underlined the need to reinforce ideologically the Sandinists by taking advantage of spaces open to debate and closed to dogmatism. The multiplication of political study circles could make our line of action more precise, help us attain a greater ideological consistency, and contribute to keeping the cause of the revolution in the hearts of the Nicaraguan people, Borge said. Those who attempt to eliminate from the FSLN anthem our shout of grief and protest: ".... we fight the Yankee, enemy of mankind," will live to see the day when our nation's right for full sovereignty is recognized and respected, Borge said.

He added: "He who states the platitude that the struggle between opposing classes is over is not a Sandinist. Similarly, he who says the struggle against imperialism must be abandoned is an enemy of Fonseca's thought." "We must take over Fonseca's revolutionary thought and apply it with the certainty that his theses are workable."

Borge, the sole survivor of the FSLN founders, spoke before approximately 10,000 people during the event

that this year included children's games; various dances from folklore to rap; and the voices of Salvador and Kathia Cardenal and Marcela Perez Silva.

Attending the ceremony on the plaza were Maria Haydee Teran, Tania Fonseca, and Jose Santos Fonseca, wife, daughter, and brother, respectively, of the head of the revolution.

Panama

PRD Proposes Constituent Assembly To Remove Endara

PA1211145492 Panama City EL PANAMA AMERICA in Spanish 12 Nov 92 p 8c

[Report by Juan Pritsiolas]

[Text] The Democratic Revolutionary Party (PRD) on 11 November proposed the convocation of a constituent assembly whose duties would include the "immediate replacement" of President Guillermo Endara and his "officials" by a government junta.

The proposal was presented by PRD Secretary General Ernesto Perez Balladares, who explained the constituent assembly would have a year to complete its work and schedule general elections.

Perez Balladares, a former minister in the Torrijos administration, added that while the assembly was in session, the country would be directed by a government junta or a provisional government.

According to Perez Balladares, that government would be established by the forces which "won membership in the constituent assembly."

The politician said the only way the PRD would agree to a constituent assembly is if the assembly would serve to "shorten the period of suffering the people are experiencing" under the present government.

Perez Balladares said the PRD would support a constituent assembly with "full powers," like the one in 1946, which appointed Enrique A. Jimenez provisional president of Panama for two years.

National and provincial representatives were elected to form the 1946 Constituent Assembly. Some of its members were current Ambassador Diogenes De la Rosa, Jacinto Lopez, Jose Isaac Fabrega, Jose Dominador Bazan, Rosendo Jurado, Gumersinda Paez, Eric Delvalle, Homero Ayala, Felipe O. Perez, and Gil Blas Tejeira.

Tribunal Magistrate on Security Plan for Referendum

PA1111001492 Panama City EL PANAMA AMERICA in Spanish 10 Nov 92 p 1A

[Text] Dennis Allen, vice president of the Electoral Tribunal, announced on 9 November that 4,000 members of the National Police, including a special reserve force, will be detailed to the Electoral Tribunal to guarantee security during the 15 November referendum.

President Guillermo Endara will place the 4,000 members, including members of the National Air Service, the Maritime Service, the Institutional Protection Service, and the Judicial Technical Police, at the command of the Electoral Tribunal during a ceremony that will be held on 11 November.

Magistrate Allen said there will be a special reserve police force to handle any violent incidents that may occur during the referendum.

Allen stated that the participation of the National Police is strictly to guarantee the security of all Panamanians who go to the polling places and to provide logistical support for the event.

Allen said the Electoral Tribunal has drafted a national security plan that is already being implemented in coordination with all organizations involved in safeguarding the security of all Panamanians.

Allen said top security measures will be implemented at sensitive points such as the National Vote-Counting Board, which will be located in the Chamber of Commerce, at the Information Center in the National Lottery auditorium, and at the various district vote-counting boards.

He said that only a national disaster could force the suspension of the 15 November referendum.

Approximately 1.3 million Panamanians will vote on the package of 57 reforms to the 1972 Constitution on 15 November.

Endara on Bomb Attack Against Attorney General

PA1011201492 Panama City EL PANAMA AMERICA in Spanish 10 Nov 92 p 1A

[Report by Orlando Mendieta C.]

[Text] President Guillermo Endara reported on 9 November that the bomb that exploded at the Attorney General's Office on 6 November was placed inside a telephone directory. Assistant Prosecutor Heraclio Sanjur said there is still no information on the people who perpetrated the attack.

Endara said an investigative commission comprised of several state security agencies reported the bomb was manufactured with two boxes of dynamite, each one separated by a detonator.

According to the president, the force of the explosion destroyed all of the bomb's elements, so no one knows if it was activated by a clock mechanism. Nevertheless, he said several fragments of pages from a telephone directory were found on the site, thus confirming the state security agencies' theories.

Talking about possible culprits, Endara said the state security agencies have two theories about the case. The first one says the bomb was placed by groups of rebellious military members and the second one says that the attack could have been a retaliatory measure taken by the drug cartels, from whom the Attorney General's Office has seized large shipments.

The chief of the Executive Branch voiced his concern that the explosive device could have been a "booby trap." According to Endara, this type of bomb attracts journalists and high-ranking government officials to the scene when it explodes. No one knows when the first explosion will be followed by a stronger one that will kill whomever is in the area.

Endara said he will soon issue a note to all Executive Branch officials, urging them to keep away from the scene of any bomb explosions to prevent even greater casualties.

Assistant Prosecutor Heraclio Sanjur said there is still no evidence of the perpetrators, although he said a person has been provisionally arrested after being found near the site of the explosion.

EL PANAMA AMERICA was able to learn the arrested person is David Barnett and, according to Assistant Prosecutor Sanjur, the man has mental problems.

Judicial Officials on Drug Traffickers' Hit List

PA1211002392 Panama City Telemetro Television Network in Spanish 1730 GMT 11 Nov 92

[Text] It has been confirmed that the drug secretary of the Attorney General's Office and the assistant director of the Judicial Technical Police [PTJ] head an alleged hit list composed of a group of drug traffickers who are seeking to hinder investigations.

[Begin recording] [PTJ Assistant Director Carlos Landero] We want to keep the investigations confidential. We can only say we are carrying out very specific and clear investigations, and we will capture those responsible for the recent bombing at any time.

[Unidentified reporter] There has been talk that the group of people involved have been sent by drug traffickers who are seeking revenge for recent arrests.

[Landero] I will not comment on that.

[Reporter] Are they former military officers?

[Landero] No comment on that either.

[Reporter] Have you confirmed that C-4 explosives were used?

[Landero] No comment. The authorities are going to keep this investigation as secret as possible.

[Reporter] Is it true that the representative of Celeste, Internacional [company implicated in drug trafficking operations] has been freed?

[Landero] I will not comment on that either.

[Reporter] Do you fear for your life? Could you be the next victim? Some say your name is on a list.

[Landero] We do not know....[pauses] When one is a policeman or an investigator, that goes with the territory.

[Reporter] Do you admit that you know you are on a list?

[Landero] Yes, we know of it.

[Reporter] Are there any other government officials on the list?

[Landero] Only the drug secretary. [end recording]

Former Administrator Manfredo on Canal Management

PA1211021592 Panama City Radio KW Continente in Spanish 1200 GMT 11 Nov 92

[Text] Fernando Manfredo, former Panama Canal administrator, has reported that large U.S. corporations represented at ports in Houston and New Orleans are concerned about the transfer of canal management from U.S. to Panamanian authorities. Manfredo said these industrial concerns are worried about their probable losses, which could amount to millions of dollars.

[Begin Manfredo recording] Pressure will increase over [words indistinct] the type of management that will be implemented when canal administration is turned over to Panama. This would not be a great problem if Panama could have the last word. As far as I can determine, these corporations would like to use the canal without Panama managing it because they think Panamanian governments, for political or other reasons, will not agree with the privatization that these corporations would prefer. [end recording]

According to Manfredo, port and maritime associations and producers on the Gulf of Mexico are campaigning for alternate routes.

[Begin Manfredo recording] Let us keep in mind that traffic originating in Gulf ports utilizes the Panama Canal. The U.S. merchant marine is also an important canal user. In addition, 70 percent of all cargo transiting the canal originates in or is destined for U.S. ports. U.S. port and maritime associations are concerned, and their concerns are valid. However, they must accept the reality that canal management will be transferred to Panama, which will be responsible for the waterway operation. [end recording]

Argentina

Government, Union Leaders Comment on Strike

PY1111002692 Buenos Aires BUENOS AIRES HERALD in English 10 Nov 92 pp 1, 11

[Text] (DYN-NA) While the government and labour movement leaders publicly argued over the effect of the first general strike against the Justicialist administration, reports said the walkout was observed by an important number of workers in the industrial and railway sectors but failed to make an impact on the rest of private activity.

President Carlos Menem stated that the strike "had been a complete failure" and that "the authoritarianism of the union leaders is over" in Argentina.

In a head-on confrontation with the President, General Labour Confederation (CGT) leader Oscar Lescano set the support for the walkout "at 90 percent" nationwide and 94 percent in the highly industrialized Buenos Aires province. Lescano added that the government "had lied" about the level of support for the walkout to "minimize the strike."

Menem, who made the statements at the Colon theatre where he opened a seminar, said that he did not understand the motives behind the CGT's strike. He said that the worker's umbrella group had printed posters saying the protest was ""for Education' but teachers and students did not go on strike." Menem said that "to put social justice into effect we must create wealth, and when we stepped into power there wasn't any."

The president emphatically denied that Labour Minister Rodolfo Diaz would step down. "All my ministers are firmly" in their posts, he said. "There is no chance of a change in Argentina: Don't be misled by the rumours of those who have failed," Menem stressed.

Earlier yesterday Diaz briefed Menem at the Olivos presidential residency on the results of the strike and then offered a press conference. Diaz said that the consequences of the strike on the labour sector "had been relative as were its political effects."

Lescano in turn said that the trade union organization was willing to talk with the government but warned that the CGT's Directive Council has "the power to continue with protest measures." In a communique issued by its Directive Council last night, the CGT leadership announced it was willing to hold talks at any "table" to "build a country for all." The CGT stated that the protest was a "warning to those" who underestimate organized labour's participation in everyday life.

Lescano blasted the Labour Ministry saying it had pressured transport and other service unions "more than the last military regime." In an unusual self-critical statement, Lescano stated that the CGT "must regret having lifted the July 28 walkout," after reaching an agreement with the government.

Diaz meanwhile stated at a press conference that the strike had been supported by "20 to 40 percent" of workers nationwide. According to Diaz the walkout was observed by 40 to 50 percent of CGT rank and file in the industry sector.

CGT authorities said that 91 percent (including a 100 percent absentee rate of UOM metal workers union personnel and 98 percent of the AOT textile workers union members) of workers in the industrial sector had not gone to work, while an average of 71 percent of the so-called service union workers answered the call to strike according to the CGT (among them 85 percent of bus drivers, 97 percent of electricity workers and 82 percent of FOECYT [Federation of Postal and Telecommunications Workers] post employees).

Observers said that this seemed to be the least effective general strike of the 14 walkouts called by the CGT since the return to democracy in 1983.

The CGT is demanding a quadrupling in the legal minimum wage from 97 pesos per month and a nearly 200 percent rise in the average retirement pension of around 150 pesos monthly.

The strike disrupted all commuter train services in the Mitre, Roca, Urquiza, San Martin and Belgrano railways following the La Fraternidad train drivers and signalmen unions decision not to keep an emergency service demanded by the government running.

A government communique said that the UF railway workers union had been willing to provide a basic schedule and FEMESA [expansion unknown] metropolitan train company admitted that trains at all lines, except a dozen trains on the Sarmiento, were sidelined by conductors who failed to show up.

Transport Secretary Edmundo Soria announced that legal actions against the La Fraternidad bus drivers union were under consideration to remove its legal status for "having refused to respect a Labour Ministry resolution."

Bus services were working near normal after dawn yesterday but UTA [Motor Transport Workers Union] transport workers union leader charged that the vehicles were driven by their owners and not by qualified personnel.

FATAP [Argentine Federation of Automotive Passenger Carriers] bus owners federation head Luis Carral said that "almost seventy percent" of all buses were on the road during the strike. Subways in the Federal Capital were run by high-ranking personnel.

While airline unions stated that internal services at the Metropolitan airport had been cut by half, both Aerolineas Argentinas and Austral airlines said no flights had to be cancelled or delayed due to the protest. No delays were reported at Ezeiza international airport.

The effect on bank activity seemed to be clearly divided between official banks, where a vast majority of

employees supported the protest, and private institutions, where the turnout was near normal. The CGT protest found little echo in stores and small businesses in the Federal Capital which were open but seemed to lack clients.

Emergency shifts at hospitals were maintained as well as in the telecommunications, drinking water and power services. Official government sources said that the turnout at the Childrens, Durand, Alvarez and Ferroviario hospitals "was 100 percent."

The CONADU [National Confederation of University Teachers] university teachers union reported that its rank and file had "totally" observed the strike while secondary and primary school activity in the Federal Capital was reported near normal levels. The country's judicial system was virtually paralyzed.

Cavallo Says Argentina To Sign Brady Plan by Dec

PY1111164792 Buenos Aires TELAM in Spanish 2308 GMT 10 Nov 92

[Text] Buenos Aires, 10 Nov (TELAM)—The final agreement for the rescheduling of the Argentine foreign debt with creditor banks will be signed on 2 and 3 December in Buenos Aires.

This was reported by Economy Minister Domingo Cavallo during a conversation with journalists accredited to the Economy Ministry. Cavallo was in the company of Horacio Liendo, the former main Argentine foreign debt negotiator and current legal coordination secretary.

Economy Minister Cavallo will be traveling to Japan in the second week of December to negotiate an Eximbank credit that Argentina will assign to the guarantee demanded for the signing of the agreement.

Cavallo's announcement confirmed TELAM's exclusive report on the final agreement's signing. It also clarified that the agreement will be signed in Buenos Aires and not in Washington, as reports from abroad originally had stated.

This was Cavallo's only reference to the Brady Plan during the meeting with journalists; the rest of the time he explained the government's position on industrial promotion.

A communique was issued after the minister's announcement. It states that "the legal aspects" for signing the Brady Plan were concluded today during a meeting in New York with the steering committee working group.

The communique adds that the banks decided in August to accept 85 percent in bonds at interest rates lower than the market rate, and 15 percent in bonds with a (35 percent) discount on principal but at market interest rates.

In subsequent negotiations, however, the creditors were flexible in their positions and it was agreed to accept 65 percent in bonds at par with the market rate and the rest with a discount.

The official communique adds that "if at least 35 percent have opted for discount bonds on the total that is owed, a creditor that signs the agreement before 30 December may opt for a lower percentage of bonds with a discount on principal."

Bolivia

Finance Minister To Resign; Others May Follow

PY1011201592 La Paz Television Nacional Network in Spanish 1700 GMT 10 Nov 92

[Excerpt] It has been confirmed at the Government House that Finance Minister Jorge Quiroga will tender his resignation from his cabinet post this afternoon. According to sources consulted by this television station, in addition to Quiroga, other cabinet members who have expressed their intention of participating in political campaign activities also may resign.

Finance Minister Jorge Quiroga assessed his work up to this point and announced that he will be tendering his resignation to President Jaime Paz Zamora this afternoon.

The president held a meeting with the leaders of the Patriotic Alliance [AP] which also was attended by Finance Minister Quiroga and (Erika Brookman) who, according to AP leaders Jorge Landivar Roca and Oscar Eid Franco, will be in charge of leading the AP election campaign.

[Begin Quiroga recording] We have decided that I will be tendering my resignation as finance minister so as to be able to lead General Banzer's presidential campaign.

I would like to state that when I assumed my post as finance minister I intended to work in the administration until the very last day of this government term, but because situations are changing constantly, and because I am personally concerned about participating in and contributing to the efforts currently being made to change this country, I believe this is the best thing to do. Therefore, I will be tendering my official resignation to the president this afternoon. [passage omitted] [end recording]

President Confirms 'Reshuffle'

PY1111023692 La Paz Television Nacional Network in Spanish 0000 GMT 11 Nov 92

[Text] The cabinet reshuffle has been confirmed. President Jaime Paz Zamora confirmed the news to the press at a meeting near Government House. The president said that some of his ministers have resigned, and that he will reorganize his cabinet as soon as possible.

[Begin Paz recording] Very few ministers have resigned; I can tell you that much. My ministers do not want to leave, because they are doing a good job. I think we must take this into account, as it means they are taking their jobs seriously. They want to continue to the last day to form the pillars of this government. This is very satisfying. I am very pleased with their performance. I will make the changes as soon as possible, perhaps even this week. It is important to separate the electoral campaign from government actions. I want a clear understanding. The government will guarantee clean and clear elections. The executive branch will conduct a clean, clear, and efficient administration of the state to the last day. I do not want any misunderstanding, or any confusion between electoral campaigning and government work. At least that is what I want, as part of a new mentality in facing the electoral campaign under democracy. [end recording]

Brazil

'Final' Document Accusing Collor Submitted

PY1111023492 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 10 Nov 92

[Excerpts] The final document on the accusations against suspended President Fernando Collor was delivered today to the Senate Impeachment Committee. The document was not delivered yesterday because of problems with the printing machine at the Brazilian Attorneys Association. [passage omitted]

The Brazilian Attorneys Association states in the 80-page document that suspended President Collor committed two malfeasance crimes: against the country's internal security by permitting the actions of Paulo Cesar Farias; and against honesty in public administration by lacking the decency, honesty, and dignity which the position requires. According to the association, the suspended president committeed 20 violations: 10 against tax legislation, eight against electoral legislation, and two against the law on public registry. The defense now has 15 days to reply to the accusations.

Action has already been taken on the defense's first request. The president of the Federal Supreme Court decided that former Economy Minister Marcilio Marques Moreira, who is still abroad, is a witness in the process, and must testify on 26 November. The defense lawyers will then have to present the arguments of the suspended president. [passage omitted]

The Senate Impeachment Committee received today a report proving that there were telephone calls between the cabinet of suspended President Collor and the house of Paulo Cesar Farias. The Senate computers were of valuable help to the three senators of the subcommittee who studied the telephone account requested from Telebras [Brazilian Telecommunications, Inc.]. They checked the telephone calls between Paulo Cesar Farias and his companies in Maceio and the telephones of Casa da Dinda [Collor's private residence] and of the cabinet of the president in the Planalto Palace. The senators would have been satisfied with just one telephone call, but from Collor's inauguration to his suspension 479 telephone calls from the presidency to Paulo Cesar Farias were discovered, and 137 from Farias to the presidency. [passage omitted]

After the Congressional Investigating Committee began its investigation, the telephone calls from Farias to the presidency stopped, but the presidency made 49 telephone calls to Farias for a total of three hours and 30 minutes. The day before the vote for impeachment in the Chamber of Deputies, there were five telephone calls from the president's official residence to Farias' telephone, and on the day of the voting there were four telephone calls for a total of 20 minutes. The first one was made at 0900 from the Casa da Dinda. The other two were made at the time of the voting, and the last one at 2056, lasting 13 minutes. [passage omitted]

[Reporter Alexandre Garcia, live from Brasilia] Committee Coordinator Antonio Mariz, who has made a study of the telephone calls, has just said that the calls constitute strong incriminating evidence which weakens the defense, although the telephone bills do not say who used the phones and what issues were discussed. Just a few minutes ago suspended President Fernando Collor disclosed this press note reaffirming that he has not been in touch with Paulo Cesar Farias for the last two years. He also says that the telephone bills are not proof of such calls, because the telephones were not used exclusively by him.

Farias Testimony Reportedly To Incriminate Franco

PY1011124092 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 92 p 7

[Article by Dora Kramer from Brasilia]

[Excerpt] Interim President Itamar Franco was saved from discomfort on 4 November when Paulo Cesar Farias' [PC] testimony before the Senate was postponed. In addition to propping up suspended President Fernando Collor's line of defense by testifying that his expenditures were being covered by money left over from the campaign and funds obtained through Operation Uruguay, PC was going to reveal that funds also were supplied to the then-vice presidential hopeful through deposits made into the account of Itamar's private secretary, Geraldo Farias.

PC thus was trying to water down Collor's guilt should he be accused of the electoral crime of misappropriation of funds. "If there was a crime, then both are guilty of it," PC has told a friend. People close to Collor were sorry that PC's testimony was suspended. They have vehemently denied that Collor and PC met secretly on 3 November, but agreed that it would have been better if

the strategy of making people believe that the businessman's testimony was going to compromise the suspended president had worked out.

"Paulo Cesar's designs were made public. It would have been better if he had surprised the Senate by saying that the president used what was left over from past campaigns and that he did not know how the money was used or how much of it was collected at the time," one of those friends admits. PC still is ready to talk—at the appropriate time—about the alleged deposits in Franco's accounts. "Collor's and Franco's situations are similar because the two ran on the same ticket. Therefore, if one of them received money, the other received money too," said a PC spokesman who always meets with him in Sao Paulo or Brasilia. The spokesman said that during the campaign, Geraldo Farias—a retired Bank of Brazil employee who is frequently seen now at Planalto Palace—operated as "Ana Acioli for Itamar Franco." [passage omitted]

Interim President Denies Involvement With Farias

PY1011140092 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 9 Nov 92

[Text] Interim President Itamar Franco will deliver a speech during a plenary session in Congress to outline his administration's objectives. Franco today denied reports published by a Sao Paulo newspaper that he received money from the Paulo Cesar Farias scheme.

Franco said his bank accounts are open to whomever wants to investigate them. This was his answer to charges published by the press over the weekend that he received money from the Farias scheme. Franco said that whoever has a check issued to his name and signed by Farias should publish it.

The president said he was waiting for this type of attack, and that such attacks will continue during the process of impeachment of suspended President Fernando Collor. Franco emphasized that he lives in an official residence precisely to dispel any such charges:

[Begin Franco recording] The government pays for my expenses. I live in a house owned by the government, and this is easy to verify. I live modestly to avoid huge government expenses. [end recording]

Concerning his first address to the nation, Franco said he will deliver it on 18 November. Considering that he is planning to deliver his speech during a plenary congressional session, this week he will meet with Senate President Mauro Benevides to ask for authorization and arrange the details.

In his conversation with journalists, Franco today also referred to the salary policy and the fuel price increase, noting that salary readjustment indexes should be released next week, and that he expects a report from the Petrobras [Brazilian Petroleum Corporation] president in order to make a decision on fuel prices.

Guajajara Indians Release Hostages, Leave Highway

PY1111125392 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 11 Nov 92

[Text] The Guajajara Indians released the 86 hostages they have been holding for nine days on the Coquinhos reservation. In addition, the BR-226 highway was unblocked.

The Guajajara Indians gave up after Justice Minister Mauricio Correa and Maranhao Governor Edison Lobao guaranteed that the town of Sao Pedro dos Cacetes will be removed from the reservation area.

The Indians still have not released the seven buses and two official vehicles they seized.

Chile

Government Wants Free Trade Talks With U.S.

PY1111194992 Santiago EL DIARIO in Spanish 5 Nov 92 p 26

[Excerpt] The Chilean Government hopes to continue negotiating a bilateral free trade agreement with the United States, within the framework of what was discussed by Presidents Patricio Aylwin and George Bush in May of this year.

That position was confirmed by Minister Secretary General of Government Enrique Correa at Government House, in commenting on the U.S. presidential election result and Bill Clinton's victory. Correa exalted the electoral process as "a true demonstration of the vigor of U.S. democracy, following a campaign in which candidates spoke about their differences quite clearly, and discussed undoubtedly controversial topics quite frankly."

The minister applauded the fact that once the results were known all contenders talked about unity and support for the new president. Correa added that he trusts the new U.S. administration will continue its rapprochement with Latin America, particularly Chile. [passage omitted]

Justice Minister Denies Resignation, Disagreement

PY1011202092 Santiago Radio Chilena Network in Spanish 1600 GMT 10 Nov 92

[Excerpt] Justice Minister Francisco Cumplido has stated that he has had no disagreements with the president of the Republic over the judicial reform drafts. What is more he, in his capacity as secretary of state, has complied with the chief of state's orders.

[Begin Cumplido recording] I have never had any problems in handling the judicial reform. I have only followed the orders and strategies established by the president. In this regard we have never had any problems. I

have not submitted my resignation, nor have I placed my post at his disposal. This would be absurd, as I am only following his instructions. This subject has experienced its comings and goings, as we had forseen right at the beginning. [end recording]

However, Cumplido confirmed that one of his advisors, Jorge Correa, will act as manager of the draft bills which have been submitted to Congress, and will thus be present at all the congressional commissions debating these proposals. [passage omitted]

Presidential Hopeful on Indigenous Land Disputes

PY1111203092 Santiago EL MERCURIO in Spanish 6 Nov 92 p C2

[Excerpts] Temuco—Ricardo Lagos, presidential hopeful for the Coalition of Parties for Democracy, has said that the illegal occupation of land is very harmful, and that drastic measures would be taken if "takeovers" were made under his eventual administration. [passage omitted]

Lagos said that the problem of titles to the land of indigenous peoples is illustrative of a very serious and irregular situation, and the Mapuche tribe should have its own land and should be integrated into society.

He said: "It is one thing to create mechanisms through which indigenous peoples can develop their culture, language, and roots, but quite another to create a state within the state. This is unacceptable. There are 13 million Chileans in Chile."

Regarding integration, Lagos said that many immigrants and settlers had kept their culture, religion, and language, incorporating themselves into the development of society. Their children, who are Chileans descendant of other ethnic groups, with their unique differences, did the same.

In answer to concerns of farmers, he added: "The only way to understand one another is on the basis of respect for what every individual is, and respect for the law—otherwise the country would not work. On that topic I believe we have to be reasonably severe."

The farmers and businessmen also expressed their concern that a future socialist president might implement the same measures enforced by the government of Popular Unity. In this regard, Lagos said that such a thing could not possibly occur again, as "we now live in a completely different world." [passage omitted]

Cuban Foreign Minister Concludes Visit

PY1211024992 Madrid EFE in Spanish 2056 GMT 11 Nov 92

[Text] Santiago de Chile, 11 Nov (EFE)—Cuban Vice Foreign Relations Minister Ramon Sanchez today concluded a six-day visit to this capital, where he met with ministers and congressmen.

Sanchez attended the inauguration ceremony of the Cuban pavilion at the Santiago Industrial Fair (FISA-92). Cuba was returning to the fair after 20 years of absence. Sanchez also met with acting Foreign Minister Edmundo Vargas, with whom he analyzed bilateral relations.

Foreign Ministry officials communicated to him Chile's decision to reject the U.S. "Torricelli Law" recently ratified by President George Bush that adopts more drastic sanctions against the Cuban Government.

During his visit to Santiago Sanchez also met with Secretary General of Government Enrique Correa. He visited Valparaiso, 125 km northeast of Santiago, where he met with Senate President Gabriel Valdes and Chamber of Deputies President Jose Antonio Viera Gallo.

In remarks made last week, Viera Gallo voiced his support for the inmediate resumption of diplomatic relations with Cuba; at the present time these are held at the consular level.

During his visit to Congress Sanchez was honored with a luncheon attended by deputies from all political parties.

He also met with businessmen from the Chile Foundation, which is charged with exports to Cuba, and with officials of Prochile, which is the Chilean Foreign Ministry trade office.

Sanchez today departed on an official visit to Buenos Aires.

Army Captain Diez Retires Over Illegal Wiretapping

PY1011200892 Santiago Radio Chilena Network in Spanish 1600 GMT 10 Nov 92

[Excerpts] Army Captain Fernando Diez, who delivered the recording of a phone conversation between Senator Sebastian Pineira and Pedro Pablo Diaz to Deputy Evelyn Matthei, has allegedly been retired. This information was confirmed today by sources close to the National Renewal Party.

It was also disclosed that Capt. Diez, who worked at the Army's telecommunications command, will be placed at the disposal of a military court. He will be questioned by Special Judge Alberto Chaigneau, who is hearing the case of political espionage involving Senator Sebastian Pineira. [passage omitted]

A few minutes ago, the Army issued a 6-point communique in which it acknowledges that Capt. Fernando Diez Vidal did deliver the recording to Deputy Evelyn Matthei.

The communique explains that last night Capt Fernando Diez Vidal, of the Army's telecommunications command, admitted that he, at his own initiative, recorded and delivered to Deputy Matthei a telephone conversation between Senator Sebastian Pineira and Pedro Pablo

Diaz because he believed the content of the conversation seriously offended a lady. Diez said he never thought the recording would be disseminated.

Capt. Diez added that no other member of his unit or of the Army was involved in this incident.

Diez said he recorded the conversation at the telecommunications command, while operating equipment used to safeguard [as heard] Army communications. Diez said he merely recorded the conversation and delivered it to Deputy Matthei.

Having gathered all pertinent information and the testimony of Capt. Diez, the investigative authorities have thus ended their investigations and submitted their findings to the 2d Military Court in Santiago, which ordered legal proceedings against Diez for not fulfilling his military duties.

Diez has been placed under arrest, incommunicado, at a military unit.

Further on Army Captain's Case

PY1111014992 Santiago Radio Chilena Network in Spanish 1600 GMT 10 Nov 92

[Text] Army Captain Fernando Diez Vidal was placed at the disposal of military justice this morning, following his confession that he had participated in the political espionage case. This was reported a few minutes ago by Army Deputy Commander General Jorge Lucar, who delivered a complete report on the case to Defense Minister Patricio Rojas. Lucar said the report said that Diez has been detained following his confession that he handed the tape with a recorded conversation between Sebastian Pineira and entrepreneur Pedro Pablo Diaz to Deputy Evelyn Matthei. Gen. Lucar said the military court will determine if the crime was committed inside a military unit, and if Army material and equipment were used to that effect.

Lucar reaffirmed that the Army was not involved in the incident:

[Begin Lucar recording] The Army carries out military intelligence. It does not spy on private citizens out of principle, because of its doctrine and because it abides by the Constitution and the law. Excuse me for giving you this example, perhaps it is too simple, but it might help understand the problem. The Army has weapons from Arica to Punta Arenas. It has clear instructions, regulations, and legal prerogatives allowing it to use them. But the Army cannot be responsible if an individual suddenly starts shooting with a submachine gun. I reaffirm this concept. I have always maintained this. The Army has not and does not tap private telephones. [end recording]

Gen. Lucar said that so far the Army has only conducted a routine investigation. It has not been able to conduct an in-depth investigation so far, because the institution received the information from General Jorge Ballerino only a few days ago, after Gen. Ballerino received the tape from National Renewal Party followers. Gen. Lucar said the Army acts as a unit and as one institution in these cases, adding that it is therefore better to address the institution, not individuals.

At this moment, Defense Minister Patricio Rojas is meeting with Senator Eduardo Frei. We expect he will talk with reporters at the end of the meeting to give us the latest details on this case.

Colombia

Ministers Discuss Announced Government Measures

PA1011160192 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1130 GMT 10 Nov 92

[News conference by Government Minister Humberto de la Calle Lombana, Defense Minister General Rafael Pardo Rueda, Justice Minister Andres Gonzalez, and Communications Minister William Jaramillo, with domestic and foreign journalists and an unidentified moderator; at Narino Palace in Santa Fe de Bogota—live; monitored in progress]

[Text] [De la Calle Lombana] ...acts of terrorism. The decree intends to protect the identities and lives of witnesses. This right is preferred above all others, such as the absolute freedom of information. The Constitution establishes this by saying that international humanitarian rights must be attended to. The American Human Rights Convention establishes which rights should be given preference. All we are doing here is limiting the exercise of one right to protect a more important right, namely, the citizens' lives, honor, and property.

[Moderator] William Parra, of the CNI newscast. Felipe Gomez, of Caracol, should prepare himself.

[Parra] This question is for the government minister: President Gaviria said it is necessary to seize the subversives' bank accounts. What accounts have been seized, what others are being investigated, and has the guerrilla financial organization already been determined? My second question is for the justice minister: Last week's cattlemen's congress demanded a strong government hand against criminals. The government replied that cattlemen must stop paying extortion money. Is it possible for the government to use money from some private enterprises or get private enterprise or industrialists to help pay the rewards for information leading to the capture of the leaders of subversive groups, as is being done in Peru?

[De la Calle Lombana] As for your first question, we have made a fundamental change in our strategy. The measures are not limited to the direct conflict, meaning fighting between the public forces and the guerrillas. We want to go beyond that with two strategies. We want to strike at the bank accounts of the guerrillas, as President

Gaviria and you pointed out, and wipe out even the signs of citizens' cooperation with the guerrillas which is caused in some areas mainly by intimidation and acceptance of the guerrillas rather than by the people's desire to back them.

Now, regarding the first point: The government has intelligence on the guerrillas' financing: on how they profit from kidnapping and extortion, and on activities associated with growing coca and poppies. We are talking about huge sums of money that weigh heavily on the country's finances. The guerrillas use cooperatives and rural and transportation enterprises as cover organizations. The government has this information.

May I reiterate, however, that measures will be announced shortly to freeze checking and savings accounts and intervene in cover organizations used to buy food and arms and in general to supply the guerrillas. The measures, which are designed to choke off and paralyze the guerrilla finance system, will be announced in due time and enforced in a few days. According to even recent reports, the guerrillas have upwards of 100 billion pesos at their disposal. We are dealing with huge sums of money.

We think the guerrillas have forsaken their self-attributed ideals of struggling for the redemption of the lower classes. We are in the presence of a large, profitable criminal organization that takes advantage of every mechanism of the capitalist economy and that has abandoned any revolutionary ideals its members might have had in the past.

[Gonzalez] A question has been asked about the payment of rewards through private contributions. I want to say the money for these rewards comes from the government. The possibility mentioned in the question is an interesting one, however, and should be considered. We want to underline the fundamental need for the support of all productive sectors and citizens. This support will make it possible for the government to win this fight.

[Moderator] Felipe Gomez of Caracol. John Portela of Radio Autentica should get ready.

[Gomez] Good morning. This is a question for the defense minister and the government minister: As everyone knows, war is war, and consequently, many innocent people are hurt. We know the Human Rights Commission has opposed direct confrontation with guerrillas and other organizations in Colombia. What certainty can the peasants and honest citizens, who are in the line of fire, have that their lives will be spared and that they will not be mistaken for guerrillas? What will the government do to control self-defense groups, which could take advantage of the situation?

[De la Calle Lombana] As the president of the republic has explained, the idea is for these legal actions to support and reinforce the public force's actions. Fundamental guarantees are preserved through the type of actions that are being taken. No arbitrary measures have been taken by the public forces. The public forces not only have a commitment, but they also have clear instructions to keep their actions within a legal and constitutional framework. The measure announced to grant judicial police functions to special military units was adopted with the direction and coordination of the nation's prosecutor general.

As for self-defense groups or private groups that take justice into their own hands, the government maintains the policy of banning activities of this kind. Crime must be reduced and the organization of illegal groups must be fought through the public forces, the government forces at the service of the law. Self-defense or paramilitary groups also are being fought by the authorities. They are irregular, illegal groups operating outside the law, and the state has also made them a priority target in its efforts to reduce crime and combat groups organized outside the law.

[Portela] My first question is for the communications minister: Should the media deny access to an investigation or a news report coming from a drug trafficker or the guerrillas for fear of violating the law? With the imminent surrender of Pablo Escobar Gaviria, how are we going to publicize that news? My second question is for the defense minister: There is a great amount of speculation regarding the money to be given to those who provide information as to the whereabouts of high or middle-level guerrilla commanders. Exactly how much will be paid for one or the other?

[Jaramillo] No part of the decree forbids the dissemination of news. It forbids the total or partial broadcasting of communiques issued by persons linked to drug trafficking or the guerrilla groups because this has caused continuing chaos. The news can be released. In response to your questions, if you have a true report, you can disseminate it, of course, but you cannot link it to the existence of a communique on the surrender of a guerrilla or a drug trafficker.

[Portela] How about the rewards?

[Pardo] A public announcement will be made in the next few days. I do not yet have the total list of specific amounts to be offered for each member of these terrorist groups, but an announcement will be made on this in the next few days.

[Moderator] Jorge Gonzalez of EL TIEMPO, to be followed by Marta Toro.

[Jorge Gonzalez] My question is for the justice minister: Initially, the new rules regulate the imposition of disciplinary sanctions on publicly elected officials, in other words, mayors and governors; will these emergency measures also provide jail sentences for these officials and to what extent?

[Gonzalez] The first article of the decree states that these disciplinary measures will not exclude the imposition of any penal sanction that is indicated. In other words, if

through this type of conduct, by disobedience of public order instructions, a mayor or governor favors the guerrillas or serves as their accomplice, he will be liable to penal sanctions, which naturally, in this case, will be determined by the Prosecutor General's Office and the regular judicial authorities. To clarify my answer, however, in addition to this statute studies are being carried out for a broader definition of penal crimes related to favoring guerrillas through actions that, by commission or omission, promote the activities of subversives or of organized crime. As soon as these rules are issued to expand the classification of crimes, mayors or governors who commit such actions will be liable to penal sanctions, as well.

[Toro] My question is for the defense minister: Although the minister said at a funeral that the rebels are armed and trained, a witness to the massacre of the 22 policemen said they had no means of response. The president has announced a reinforcement of military capacity for 1993, but my question, Mr. Minister, is: It is very easy to see that local police stations will be targeted by the guerrillas when an all-out confrontation is announced. Is there a plan to improve training and weapons for local policemen prior to 1993?

[Pardo] Your question covers several points, which I would like to discuss separately. First of all, police posts, stations, substations, and police patrols have been, and continue to be, targets for terrorist groups. This has occurred in the past and continues.

Second, your question dealt with the condition of the weapons of the Yuruyaco police. I ordered the National Police to investigate the conditions of these weapons and asked whether they were satisfied with the equipment and the area's security measures. I should have the report on the results on either 10 or 11 November. When I was there, obviously I also was concerned over whether the weapons were sufficient.

Third, a program does exist for improving police weapons; living conditions; and the physical state of police posts, stations, and substations.

The improvement of National Police facilities and living quarters has been my top priority since I arrived at the Defense Ministry. Important efforts have been made, investments have been made, resources have been obtained, and agreements have been made with regional authorities. During a governors' meeting 15 days ago, we designated additional resources to work with regions and municipalities to improve security and housing facilities in areas where National Police protection posts are located.

Referring specifically to the safety and housing facilities at the post that protected the Yuruyaco battery in Putumayo, I restate what I said on 9 November: In the energy and highway systems alone, the police must protect approximately 650 sites with personnel, weapons, equipment, and communications. The enterprises that own these facilities are responsible for the infrastructure to house personnel that will protect these sites. Hence, conditions at this post are and were very precarious and undignified for the policemen. The responsibility falls mainly on the Colombian Oil Enterprise because it was being protected by this battery.

I have pointed out this situation, without trying to cause a controversy. I simply wanted to say that the responsibility falls on whomever is being protected at the energy and highway installations. This situation has emphasized how necessary it is for the National Police to have dignified housing facilities, and I want to point out that sometimes the police are subject to double the amount of pressure from the citizenry, officials, mayors, and governors, who ask them not to withdraw from a site even though it lacks sufficient and adequate housing and maintenance facilities for them.

The National Police are fulfilling their duty in a responsible way because they must act as protection. I think awareness about housing facilities at these sites is important, and that has been my top priority in the Defense Ministry. There are police posts at 2,500 sites. Facilities at many of these sites have been improved and facilities at many sites have yet to be improved. We are making that effort, as I said, with the cooperation of some governors, municipalities, enterprises, and through the national budget. At a governors' meeting 15 days ago, we designated additional resources for this project.

[Toro] I have a question for the minister of communications: I would like to know if restrictions for the exercise of our profession and the penal sanctions outlined in the measures will be applied to the foreign media?

[Jaramillo] Well, there are no penal sanctions. Sanctions have been established for the media, but they are pecuniary sanctions: fines of up to 1,000 minimum salary rates per month. Likewise, sanctions have been established for suspending the use of freqeuncies for up to six months, and it has been established that should the offense be repeated the government may decide to take back the frequency, as it is a franchise. Talking about the foreign media, the news cannot be sanctioned, as I said before. What happens with foreign journalists is that, naturally, they cannot incur violations while they are here, just as our local media cannot violate the law.

New Security Measures Announced in Bogota

PA1211004792 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 11 Nov 92

[Text] Santa Fe de Bogota authorities have warned citizens about the existence of 10 automobiles that could be used as car bombs. This threat and the latest terrorist attacks in the capital have prompted an increase in security operations.

The emergency measures decreed by the government to counter the terrorist wave began to be implemented in Santa Fe de Bogota. Mayor Jaime Castro met with his

cabinet and military and police commanders in an extraordinary security council.

The public force, in coordination with the Army, is permanently patrolling Santa Fe de Bogota.

The mayor and other authorities have ordered an increase in the number of mobile checkpoints and plainclothes policemen on the streets to have more control over the city.

[Begin General Jose Maria Vergara recording] We are increasing the number of operations by the public force in the form of roadblocks and checkpoints, especially around those places that have been attacked by terrorists, such as the financial centers, transportation facilities, and bus stations. We are implementing direct control over those places, and it is being intensified every day. [end recording]

Authorities said that although the situation may seem uncomfortable, it is necessary. The wave of dynamite attacks over the last few weeks has included 15 explosions at banks and stores in the capital, the destruction of four police CAIs [Immediate Attention Center], and six persons wounded, including policemen and civilians.

[Begin David Luna, secretary of Santa Fe de Bogota government, recording] The government will not let its guard down and will use all necessary resources to guarantee the citizens' security. [end recording]

With these measures, the Santa Fe de Bogota mayor and the authorities seek to prevent new terrorist attacks in the capital.

Eight Bomb Attacks Reported in Medellin

PA1211012692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 11 Nov 92

[Maribel Osorio report]

[Text] Eight Immediate Attention Centers [CAI's] were the targets of bomb attacks on the first night of strict security measures in Medellin and Valle de Aburra.

Policemen Isaias Escudero Gudelo and Gerardo Munoz Curtidor were killed in the past few hours as they were heading to their homes in Itagui and Las Brisas wearing civilian clothes. The murder of two policemen was another blow dealt by organized crime. On the night of 10 November, eight CAIs in various neighborhoods which have been closed since 9 November were the target of bomb attacks. Ten passersby and one policeman were injured by shrapnel. A vagabond who was sleeping in one of the booths died, and a 28-year-old woman died when one of the bombs exploded in her hands.

A few days ago terrorist actions were attributed to vengeance by the drug cartel for the death of Tyson [Brance Munoz Mosquera]. Today, however, authorities believe the actions are being carried out by members of an alliance between drug traffickers and rebels.

Here is what General Jairo Rodriguez, metropolitan police commander in Valle de Aburra, said:

[Begin Rodriguez recording] These actions are being carried out by individuals linked to criminal organizations. We do not rule out the possibility that the Guerrilla Coordinating Board may be using explosive devices. [end recording]

The search operations produced positive results. Explosives equivalent to 20 kg of dynamite, safety fuses, and electric tubes that supposedly would be used in new bomb attacks were confiscated from Romel Alexis Munoz Mosquera— brother of drug traffickers Tyson and La Quica [Dandeny Munoz Mosquera]—who was arrested last night with Carlos Cifuentes Rua in the Suramericana sector.

Before noon on 11 November in El Chuscal, El Retiro municipality, the bound and bullet-riddled body of Marlon de Jesus Perez Madrid was found. Perez Madrid was an agent of the former Security and Control Agency in Envigado, arrested in 1990 by the 4th Brigade, accused of executing several persons in that municipality on orders from drug traffickers.

Armed Forces Bomb Guerrilla Camps, Kill 28 Rebels

PA1111221292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 11 Nov 92

[Special report by Guillermo Gonzalez in Putumayo and Marcela Duran in Santa Fe de Bogota]

[Text] Military operations against Revolutionary Armed Forces of Colombia, FARC, guerrillas in Putumayo are intense. The guerrillas who killed 26 policemen are fleeing toward the Ecuadoran border and are being chased through a thick jungle by both air and land forces.

The "National Newscast" has a report from a jungle area in Putumayo, which is located on the Colombian-Ecuadoran border. We are about to see three helicopter gunships of the Army's 3d Brigade bomb the main camp of the Simon Bolivar Guerrilla Coordinating Board [CGSB] 29th and 32d Fronts, whose men massacred 26 policemen in Orito Municipality.

We now see a Colombian Air Force Curtis C-47 airplane beginning to bomb the main FARC camp. The airplane fires rockets then strafes the guerrilla camp. Two Air Force helicopter gunships and one C-47 airplane outfitted with machine guns have been used in the attack, which resulted in the destruction of the main FARC camp occupied by the 29th and 32d Fronts in the thickest part of Putumayo Department's jungle.

We have additional reports confirming the death of 15 guerrillas. The Armed Forces continue their operation in the jungle region on the Ecuadoran border to catch the

fleeing guerrillas. General Victor Arevalo Pinilla, commander of the 3d Brigade, has confirmed that 15 guerrillas were killed in operations carried out in the past 24 hours, meaning between 10 and 11 November. It has also been confirmed that only one Colombian Army officer—the corporal we previously identified—has been killed; and only four special forces members have been injured.

The "National Newscast" has also been able to confirm the confiscation of more than 60 pounds of pentonite [pentonita], an explosive material more powerful than dynamite. The military operations have also resulted in the seizure of assorted camp equipment and many of the guerrillas' weapons.

Those are the partial results of the intense operations currently under way in Putumayo Department's jungle area. Gen. Arevalo Pinilla personally confirmed to "National Newscast" that the definitive results will be reported in a matter of hours. General Arevalo Pinilla is aboard a helicopter to supervise the special forces' operation and the support given by the Colombian Air Force in this combing operation to locate the FARC guerrillas of the 29th and 32d Fronts.

We have also spoken with Defense Minister Rafael Pardo Rueda about the bombings in Putumayo Department. The minister said the military action will be carried out throughout the country and it will be quite energetic.

The Army is bombing a vast area of Putumayo Department and the same will be done anywhere in the country if it becomes necessary, Minister Pardo categorically stated.

[Begin recording] [Duran] Minister, the intense operations that include bombings will be carried out in other zones? Will this be done in Arauca, which also has problems, and the Middle Magdalena area?

[Pardo] We will act whenever and wherever necessary for as long as we can. [end recording]

Fifteen guerrillas have been killed in Putumayo in the onslaught against the subversives. Other actions carried out in various parts of the country resulted in 13 guerrillas killed and eight arrested. A total of 28 guerrilla members have been killed within 48 hours.

Pardo Rueda did not rule out the possibility that the government might call first class reserve force members to form a group to reinforce the struggle against the subversives.

The national government on 11 November offered rewards for the guerrilla leaders to strengthen the offensive. One billion pesos will be paid for Father Manuel Perez and Manuel Marulanda, alias Tirofijo; 500 million pesos will be paid for Alfonso Cano, Raul Reyes, and Timoleon Jimenez; and between 50 million and 100 million pesos will be paid for rebel front leaders.

Escobar's Attorneys, Relatives Under Arrest

PA1111002692 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 10 Nov 92

[Text] Antioquia authorities have arrested Pablo Escobar's lawyers and relatives and put them at the disposal of Colombian justice. The Antioquia Department Prosecutor's Office confirmed on 10 November that during operations on the afternoon of 9 November in downtown Medellin, elite police forces raided the offices of Pablo Escobar's lawyers and arrested his attorneys Faisal Humberto Buitrago Mustafa and Roberto Uribe Escobar. During an operation in the Fatima neighborhood, one of Escobar's cousins, her husband, and a small child were detained. Here is what Prosecutor Ivan Gomez said:

[Begin Gomez recording] They were transferred to F2 [expansion unknown] installations and put at the disposal of the regional prosecutor's office. That information has been confirmed by the prosecutor's office; therefore, they are currently under arrest. [end recording]

Exceptional measures went into effect today in the capital of Antioquia [Medellin] aimed at controlling the recent wave of violence in this city.

[Begin Medellin Mayor Luis Alfredo Ramos recording] While this security emergency situation lasts, we will require all vehicles to keep their interior lights on as of 1900. We will also impose a 50 km per hour speed limit in Medellin. [end recording]

Security in Medellin will be reinforced by an additional 380 policemen who are expected to arrive in a few days.

* Guerrilla Violence Seen Escalating in Cordoba

93SM0027A Santa Fe de Bogota EL TIEMPO in Spanish 11 Oct 92 p 6A

[Report by Arquimedes Suarez]

[Text] Cordoba—In Cordoba the winds of peril blowing for the last 150 days from the region of Uraba, could turn into a tornado that will destroy the 15-month respite enjoyed by the 1.2 million residents of Cordoba.

The blanket of calm that wrapped itself around the warm and fertile plains of Cordoba between February 1991 and May 1992 allowed ranchers and farmers to return to their land.

"We even thought we could go back to the days when we just went into town on weekends to take care of our bank transactions," says one hacienda owner as he settles back into the fine leather armchair in his heavily guarded office, from which he runs his ranch by radio and telephone.

All indications were, until the middle of this year, that the way was clear to peace and tranquility. The factors that had led to the 15-month truce were the presence of

Mobile Brigade No. 1 between February and May 1990 and the demobilization of the self-defense forces of Fidel Castano Gil, in November 1990, and of 450 guerrillas of the Popular Liberation Army (EPL) between January and March 1991. These, however, were not enough.

The return to the calm that reigned in the department before 1980 (when the disturbances began with the kidnappings of Eduardo Gutierrez, at Planeta Rica, and "El Mocho" Restrepo, at Montelibano) is increasingly slow.

The peasants live in neglect and isolation. Their poverty is visible on the prairies where the crossbred zebu-simmentals graze and where the sorghum, cotton, and corn grow. In addition, the guerrillas have proliferated and have the department surrounded. In response, the paramilitary groups have been reactivated.

At mid-year about 1,000 guerrillas of the Revolutionary Armed Forces of Colombia (FARC), the Army of National Liberation (ELN), and Francisco Caraballo's group managed to occupy the rural and urban positions that the 450 men of the EPL had held until 1990. When the latter demobilized, they joined the Hope, Peace, and Freedom movement.

Since the beginning of this year, according to ranchers, the guerrilla fronts from the mountains and from the Uraba region of Antioquia have begun to come down through the ranges of Ayapel, San Jeronimo, and Abibe, the former stronghold of the EPL. Their purpose: to take on the owners of the 1.7 million head of cattle that graze on the plains watered by the Sinu and San Jorge Rivers.

Since that time, according to statistics compiled by the police and the Cordoba Federation of Ranchers (Ganacor), 14 people have been kidnapped. Among them was Hernando Jose Anaya Torres, who was murdered on 12 September moments after being taken hostage by the FARC.

Currently being held are Rodrigo Negrete Soto, in the custody of the FARC Front 18; Santos Hernandez, who is reported to have died while being held by the Francisco Caraballo group; and Domingo Banda Lyons, whose family has paid for his freedom twice.

The following have been released, apparently after payment of ransom: Jorge E. Carrascal, Vicente Garay Barragan, Marino Lopez Rebolledo, Ivan Velasquez Gonzalez, Juan Carlos Agudelo, Guillermo Echeverri, and Tiberio Giraldo, all taken by the FARC; Luis Alfonso Gonzalez Galvan and Leon Velez Sierra, both taken by Francisco Caraballo's group; Jesus M. Arrieta Rivera, held by the ELN; and Carlos Barguil Florez, who was kidnapped by common criminals and rescued by the Unase.

Kidnapping or Extortion

The number of kidnapping incidents has decreased slightly over the last three years. In 1989, there were 26 cases, 14 in 1990, and 23 in 1991.

Given the increased threats to their safety, which reached a critical point between July and September when there were 10 kidnappings, most landowners say they are terrorized, and their homes are "like jails."

"I have talked to six landowners, and none wants visitors at his property. It would be even worse to take pictures of their cattle, because they think that amounts to showing the guerrillas and rustlers what we have. You understand? You will forgive me, Mr. Reporter," said a landowner on the phone when EL TIEMPO asked for his cooperation in taking photographs for this article.

"I would accompany you," said another, when he finally found a friend of his who would allow access to his herd. "But as you know, I am under threat. I think I am on the list of 100 potential kidnap victims drawn up by the FARC."

Those who have not been seized by the guerrillas are not immune to the *boleteo* [extortion], however. Of the 12,000 landowners in Cordoba, according to a document released by the 11th Brigade, 30 percent have been victims of extortion. This is the subversives' principal method of financing, says the Army. No one knows how much money and goods they collect this way, because the guerrillas demand livestock, provisions, fabric, drugs, and vehicles.

"The only thing you hear if a *boleteo* victim does not pay is the final shot," says another landowner. "In 1989, the guerrillas collected 2 billion pesos from extortion."

In the last four months, according to Ganacor, nearly 2,500 head have been rustled from the herds of its members, at a cost of nearly 500 million pesos. Only 378 head have been reported missing to the authorities, and of them, 57 have been recovered.

The rural areas of Chinu, Sahagun, San Andres de Sotavento, Pueblo Nuevo, Tierralta, Valencia (Cordoba), San Marcos (Sucre), and Arboletes (Antioquia), which lost 25,000 head of cattle between 1988 and 1990, have been hit hardest by the rustling this time.

The threats to personal safety, the thievery, and the costs of inputs, according to the document "Cordoba, 40 Years," have reduced the total herd of Cordoba by 880,830 head in the last nine years, a decline of 4.5 percent. At present, 1,703,170 head are grazing on 1.6 million hectares.

"It is very sad to see how the hopes for peace and reconciliation that filled us with favorable expectations a little less than two years ago, when the government's peace policy began to yield a few results, have faded into the shadows as the threats to our safety increase and the armed groups that flout the law become active again."

said Representative Jaime Lara Arjona on 25 September when he installed the Forum for Peace in Cordoba.

The resurgence of the paramilitary groups, according to military and civilian sources, became most evident when eight people were massacred and five houses burned to the ground in the district of Las Chagas, jurisdiction of Necocli (Antioquia) on 16 September.

The multiple crime was a reprisal, sources say, for the murder of ranchers Manuel del Cristo Portillo, Oswaldo Tirado, Angel Isidro Colongue, and Omar Trujillo, for which Francisco Caraballo's group has been blamed. The incident took place on 24 August in the village of El Tomate, district of Santa Catalina, jurisdiction of San Pedro de Uraba (Antioquia).

The group that murdered the ranchers was led by the guerrilla known as "Manteca," according to military and civilian sources; the gunmen who arrived in Las Changas asked for "Manteca." This massacre, says Colonel Julio Eduardo Carry Solano, commander of Operative Command No. 1 of Uraba, was ordered by Fidel Castano Gil, who denied any involvement.

What can be done to prevent Cordoba from being held hostage and sold for ransom again, as happened in the late 1980's?

Everyone has a different answer. Strengthen the military forces, say farmers and ranchers. Make sure the civilian population turns in criminals, and make sure the landowners do not forget they are vulnerable to kidnapping, and let them adopt their own security measures, say military authorities. Analyze the situation and enforce law and order at the regional level, since what is happening in Uraba, Sucre, and Cordoba has repercussions throughout the area, argues Governor Jorge Manzur.

The FARC, the ELN, and Francisco Caraballo should demobilize, say the members of Hope, Peace, and Freedom, "since one swallow does not make a summer." The government should stop making promises and start doing something, and the state should come in with plans for employment, housing, health, education, and highways to benefit the poor, contends Monsignor Dario Molina Jaramillo, bishop of Monteria.

Thus, the winds of unrest that are blowing through Cordoba will stop ruffling the heads of native rice that Jose Miguel Hoyos and his companion Sandra Jimenez harvest along a narrow strip of land on El Purgatorio, the farm where they work.

[Box, p 6A]

Tranquility Index

The 15 months of calm that Cordoba residents attribute primarily to the demobilization of the 450 members of the EPL made possible a number of achievements.

There was a 60-percent improvement in law and order, according to Governor Jorge Manzur Jattin. As a result, ranchers returned to their land and property values recovered. Four years ago, according to Ganacor, "all Cordoba was for sale, and a hectare of land went for 300,000 to 500,000 pesos."

Four months ago, a hectare sold for as much as 2 million pesos, and no one was selling even the tiniest plot of land. With the return of the threats, however, land is for sale again; small farmers do not want to go through another period of violence.

The tranquility also made it possible to hold the Livestock Fair after a hiatus of four years. The price of a kilo of beef on the hoof, which had been at 400 pesos, doubled.

Of the *reinsertados* [former guerrillas who have been reincorporated into society], 418 continue to push for peace. Eighteen of them have died under various circumstances, four took up arms again, and 10 are in prison.

Ninety-one former combatants are working at a machinery bank, a fishing project, a cattle herd, and in cattle sales, projects in which 302 million pesos has been invested.

A total of 13 projects are now being put together for an investment of 348 million pesos, which will benefit 174 members of Hope, Peace, and Freedom.

The idea, according to Roger Perez, Hope's delegate to the presidential reincorporation program, is to have 28 businesses operating by December. They will support 334 families, with an investment of 788 million pesos.

* Minister Santos Views Foreign Trade Prospects

93SM0029B Santa Fe de Bogota EL TIEMPO in Spanish 12 Oct 92 p 8C

[Report by Carlos Agudelo]

[Text] New York—Foreign Trade Minister Juan Manuel Santos returned to the country extremely optimistic about the future of Colombia's economic relations with the rest of the world after a journey of nearly three weeks that took him to Mexico, Spain, Israel, England, Canada, and the United States.

The trip, in the company of a group of Colombian businessmen, was intended to establish bilateral trade contacts at the government level and to serve as a bridge to the private sector so that it can conduct business abroad.

In London, the minister also participated in negotiations on the restructuring of the coffee pact. The trip culminated with a luncheon given by the Colombian-American Association at the headquarters of the Americas Society in Manhattan, where the minister outlined the principal points of the country's economic liberalization policy.

"Colombia is the only other country besides Bolivia that has tariff advantages with the United States because of the Andean Preference Law. If we add to that the tariff preferences we have with Europe, that places us, objectively and without exaggeration, in the best trade position in all of Latin America," stated the minister at a press conference.

Unfortunately, according to the minister, the country's serious image problem abroad has scared off much foreign investment. "Nevertheless, when you sit down and explain the true situation in Colombia to the various governments and investors, who do not know what we have done in Colombia, they immediately begin to react positively. In all the countries I have visited, missions are already being organized to find out what we are really doing and to take advantage of the Colombian market, both in investment and in trade."

With regard to the items on the agenda in each country visited, the minister stressed the importance of Israel as a source of cheap technology that can be used in Colombia; Spain as a doorway to and from the European Common Market which takes effect on 1 January 1993; and Canada as a "market that is much richer than we Colombians realize, in terms of its buying power."

Lack of Initiative

"Canada is not familiar with Latin America. It has always looked eastward and westward but never to the south. Now they are beginning to realize that there are good markets to the south."

The minister discussed the possibilities of trade with Canada in sectors such as telecommunications, mining, and exports of farm products such as vegetables and exotic fruits. In addition, an agreement was drawn up to build a toilet paper plant in Colombia, with an investment of $35 million.

The minister also announced that his Canadian counterpart pledged to support Colombia's entry into the North American Free Trade Zone, "because they are very interested, now that they are turning south, in not stopping at Mexico, but continuing on to the rest of the continent," said Santos.

The minister confessed his displeasure with the private sector's lack of initiative in seeking foreign markets. In Canada, for example, the minister visited the largest fruit market. Until his visit, only one Colombian exporter had come knocking on their door.

"It is sad to see the Colombian private sector ignoring that market and not making that effort. We must issue an internal appeal to the Colombian private sector."

One of the reasons, according to Santos, is the fact that Colombia has traditionally focused on the domestic market.

Specialization

According to the minister, one of the keys to taking advantage of world markets is specialization or playing up key sectors. In Colombia's case, those sectors include petrochemicals, agroindustry, textiles, leather, and even car parts, which Colombia has already begun to export in modest volumes.

As for the problem of the country's image, the minister admitted that it persists, but in his opinion the country has already touched bottom.

"I tell foreign investors that more than 400 foreign companies have been operating in Colombia for the past 30 years, and none has left Colombia for security reasons," said the minister.

"Our best ambassadors are the managers and presidents of these companies, who are thinking of stepping up their investments."

Paraguay

Executive Branch Calls For General Elections

PY1011162092 Asuncion PATRIA in Spanish 7 Nov 92 p 6

[Text] The executive branch, through Decree No. 15465, has called general elections for president and vice president of the Republic, senators, deputies, governors, and departmental board members.

According to the decree, national elections will be held throughout the country on 9 May 1993.

The decree also states that the president and vice president of the Republic, 40 senators, and 30 alternate senators will be elected in compliance with Articles Nos. 230 and 223 of the Constitution and Articles Nos. 256 and 259 of Law No. 1/90 of the Electoral Code, modified by Article No. 1 of Law No. 30/92.

Moreover, chief and alternate deputies will be elected in compliance with Article No. 221 of the Constitution. On this occasion, 80 chief deputies and 80 alternates will be elected according to Law No. 72/90, which refers to their distribution.

The governors of each department in which the corresponding law divides the state politically and administratively, and the respective members of the departmental boards, will be elected in compliance with Article No. 161 of the Constitution and Article No. 2 of Law No. 39/92.

The executive branch also has decreed that the elections be held at the electoral boards in all departments of the Republic.

Moreover, the executive branch, in compliance with Law No. 71, previously passed by Congress, has established a new division of the Republic.

According to Law No. 71, the territory resulting from the merger of Boqueron and Nueva Asuncion departments will become the 16th department, called Boqueron, and its capital will be Filadelfia.

Moreover, the territory resulting from the merger of Chaco and Alto Paraguay departments will become the 17th department, called Alto Paraguay, and its capital will be Fuerte Olimpo.

According to Law No. 72, the executive branch has determined, following Congress' approval, that the seats in the Chamber of Deputies be distributed among the 17 departments the country now is divided into.

General Gives Support to Wasmosy-Seifart Ticket

PY1011131092 Asuncion HOY in Spanish 10 Nov 92 p 6

[Excerpt] General Lino Cesar Oviedo, one of the Armed Forces' most influential members, gave his support to the [Juan Carlos] Wasmosy-[Angel Roberto] Seifart ticket during a camaraderie meeting held recently with the participation of candidates for the governorships, Senate, and Chamber of Deputies, party precinct presidents, grass-roots leaders from the Central Department and Asuncion, Colorado mayors, and presidential hopeful Juan Carlos Wasmosy and vice presidential hopeful Angel Roberto Seifart. This was revealed by people close to the ticket.

Eugenio Sanabria Cantero, one of the ticket's main activists, said that the meeting was held at the home of Raul Cubas in Fernando de la Mora, and that Colorado Party President Blas N. Riquelme also participated in the meeting.

Sanabria Cantero told this newspaper that "Oviedo stated with extraordinary clarity that as one of authors of the 2 and 3 February revolution, he will not allow a return to a dictatorship in Paraguay, and that he supports all the projects that reinforce the democratic transition process." "In this respect, he clearly referred to the Wasmosy-Seifart ticket. [no closing quotation mark as published]

He also said he considers Oviedo's support to be of "considerable value," stating that the general participated in the meeting "as a Colorado." [passage omitted]

Reactions to Military, Police Communique Noted

PY1011151992

[Editorial Report] Asuncion ABC COLOR in Spanish on 8 November gives extensive coverage to politicians' reactions to the communique issued by the Armed Forces and police on 7 November.

The newspaper carries on page 2 a 200-word article in which Christian Democratic Party presidential hopeful Luis A. Resck states: "From an objective viewpoint, the joint communique is encouraging considering the current troubled situation caused by various rumors, many of them contradictory, like alleged armed rebellions. This happened during the Constituent Assembly when the ghost of a coup sought, in my opinion, to discourage and force us to draft a Constitution designed to meet shameful interests."

On page 3, ABC COLOR carries a 300-word article in which Colorado Party presidential hopeful Gustavo Diaz de Vivar says: "I agree with the communique, but I think it was incomplete and insufficient." He adds that the past not only represents the violation of institutions and human rights, but many other things, like privileges for a few at the expense of the majority's needs.

Also on page 3, ABC COLOR carries a 200-word article paraphrasing Colorado Party vice presidential hopeful Angel Roberto Seifart as saying that the Armed Forces communique was timely because it served to recall the nostalgia for the dictatorship and that the Armed Forces will make the current democratic transition process be respected. He says: "There are people who long for the dictatorship and want to take advantage of the political transition to meet other objectives."

On page 4, ABC COLOR carries a 200-word article in which Febrerista Party leader Euclides Acevedo states that the communique has a positive aspect because the Armed Forces assume the commitment to prevent the return of a dictatorship, and a negative aspect because they want to become the guide and controller of the political process. He says: "The Armed Forces are not maintaining a balanced and nonparticipatory position."

Also on page 4, ABC COLOR carries a 300-word article in which Authentic Radical Liberal Party leader Juan Manuel Benitez Florentin says: The communique clearly reveals the Armed Forces' decision not to allow the return of dictatorship. He states: "They reaffirmed their decision to comply with the proclamation made during the 2-3 February coup. This communique was addressed to those who long for Stroessner."

On page 5, ABC COLOR carries a 300-word article in which independent presidential candidate Guillermo Caballero Vargas says: "We praise the Armed Forces and police decision to reaffirm their commitment to building democracy. Nobody wants to return to the past and to the epoch of the violation of human rights and civic and political freedom."

On page 11, ABC COLOR carries a 250-word article in which retired Captain Federico Figueredo, a former member of the Constituent Assembly, voices surprise at the communique's timing, and questions the fact that it did not mention sanctions to be applied to soldiers involved in corruption. He says: "I do not understand why the communique was issued at this moment and why they reaffirmed something that is already established in the Constitution." He adds: It seems that the Armed Forces want to impose democracy by force in the country.

Peru

Minister Announces Economic Reactivation

PY1111004192 Lima EXPRESO in Spanish 30 Oct 92 pp A2-A3

[Excerpts] Economy Minister Carlos Bolona Behr yesterday promised to strongly reactivate the economy in 1993 and to launch a determined fight against extreme poverty. In exchange for that, the minister demanded an additional sacrifice from the country during the remaining two months of 1992. [passage omitted]

Concerted Growth

Thus confirming President Alberto Fujimori's announcements, adjustments will actually be introduced to the economic program. On 29 October, Bolona said: "A change will actually be made with respect to the program we implemented in 1991-92." The growth rate target will have priority over any other target, but "the downward inflationary trend, at any rate, will be maintained," the minister said.

Although the 1993 economic program will continue to feature fiscal and monetary discipline, the change of course in the economic policy targets seems to be drastic.

A minimum 3 percent growth rate for next year has been jointly announced by the Economy and Finance Ministry and the IMF. In Lima, negotiations with an IMF mission headed by Nicaraguan Luis Duran have already begun.

The Targets and the New Group

The economy minister emphasized that the completion of the Peruvian economic program, which has been monitored for two years by the IMF and whose goals will be satisfactorily met in December, will represent a precedent for the new stage which is to begin in 1993. He admitted that during the past six months expenditures exceeded those scheduled.

The 1993-94 economic program will necessarily have to be financed with the assistance of a second group of supporters, made up of friendly countries that will contribute a yet undetermined but significant amount.

Bolona emphasized that this second support group will be formed after the elections for the Democratic Constituent Congress. The money that we manage to collect will be our letter of presentation to gain access for two or three years to the Expanded Facilities Fund, an IMF mechanism that gives greater relief to the countries that have complied to the letter with their programs to accumulate rights. This is in fact our case.

A Club of Donors would simultaneously be established to channel all the donations requested from the countries comprising the support group, a proposal that was opportunely raised by Javier Perez de Cuellar.

New Funds

Foreign debt payments will continue to represent a heavy burden. It is estimated that these payments total about $2 billion. Nevertheless, the loan portfolio that the multilateral organizations (IDB [Inter-American Development Bank] and World Bank) would approve for Peru in 1993 would total $1.4 billion (including a Japanese loan for the installation of a 100-megawatt electric generator).

The economic team accompanying Minister Bolona believes that of this total only $400 million would be disbursed during 1993.

How To Grow?

The liberal minister—who likes to recall the former administration's extremely poor policies—also outlined his growth strategy.

We asked him: How will you do it? As if he were in his university chair, Bolona listed four elements that would activate the economy:

—public investments, which will depend on foreign financing received from the IDB and the World Bank;

—direct foreign investments, especially from the Southern and Oxy companies, which have committed $300 and $30 million respectively, as soon as they resolve their problems with the government. There is also a $35 million gold mining project in Cajamarca that will be implemented;

—a third growth mechanism will involve compulsory savings from retirement and Fonavi [National Housing Fund] funds. "An effort will be made to have these funds yield the maximum," the minister said; and

—an increasing slant in the economy to favor exports, increasing the par-value of the exchange rate, removing exporters' added costs, providing drawbacks [preceding word in English] for exporters, and removing the tax burdens that increase the cost of loans.

A Politician?

The minister also did not fail to talk about public finances. In this regard Bolona confirmed that a new law would be issued soon, changing the 1992 budget rearrangement implemented a few days ago by the Economy and Finance Ministry.

After a news conference lasting many hours, the journalists concluded by asking: Do you believe in the presidential reelection?

Bolona responded: "I have not thought about that....I am busy thinking about the interest rates." This indicates that he has learned a lot about politics.

Former Bicameral Budget Chairman Interviewed

PY1111003692 Lima EXPRESO in Spanish 3 Nov 92 p A16

[Interview with former Bicameral Budget Committee Chairman Eduardo Calmell del Solar by Maria del Rosario Pajuelo; place and date not given—currency not specified except where indicated]

[Excerpt] [Pajuelo] Is the executive branch handling the economic area more efficiently without the participation of Congress?

[Calmell] The government has not passed laws as quickly as it wanted without the participation of Congress and the opposition. The economic committee was blamed for two years for creating obstacles for the government. It is now clear that the executive branch caused more delays than Congress did. It is shameful that the 1993 budget bill has not yet been approved, considering we are now in November. Congress would have approved it in August. The new law on tax reform has not yet been promulgated. The economy minister for two months asked Congress to empower him to do so, but he has made little progress.

[Pajuelo] But the Tax Code, which was part of this reform, is about to be promulgated. A number of nontechnical taxes were also eliminated....

[Calmell] I agree, but only some portions of this reform have been promulgated. The whole tax system, including that of the districts, has not been reorganized. Nobody currently knows the true tax burden because the tax pressure is estimated in keeping with the resources of the Public Treasurer, without considering those derived from other sources like the districts. If we consider the whole tax system, we would see that the tax pressure is greater.

[Pajuelo] How do you assess public spending in 1992?

[Calmell] Had the events of 5 April not occurred, the balance could have been positive. The flow of foreign debt payments have not been positive and the country has not been able to rejoin the international financial institutions because of the events that occurred on 5 April. Yet despite this, the government managed to prepare a budget without a deficit or resorting to the printing of money.

[Pajuelo] What are the shortcomings?

[Calmell] The main shortcoming was the cutting of social spending by 317 million. The final analysis is that the economy was well handled when there was a Congress and it is well handled now but it has the deficiencies pointed out by congressmen, deficiencies which were not very pleasant for Minister Bolona. No program can be implemented without a minimum level of social spending.

[Pajuelo] Had the Bicameral Budget Committee continued in session, would it have prevented the fiscal over readjustment which created a surplus of 300 million in the second half of this year?

[Calmell] Without any doubt, because we would have prevented the way social spending was strangled. How can there be a surplus in a country where people are dying of starvation? Not even from the economic point of view was it desirable to refrain from spending those resources because the recession became unnecessarily worse. Furthermore, it makes no sense to have an economic plan to clean up a country where everybody is dead.

[Pajuelo] The government, accepting that the budget approved by the Bicameral Budget Committee for this year was short of funds, decided to reorganize that law. Was that necessary?

[Calmell] There was no reason for any change because the spending authorized in the budget did not obligate the Treasury to enforce it in its entirety. Therefore, there was no need for cuts just because there were no resources. Yet the resources were there because the budget was increased from 6.107 to 6.958 billion, that is an increase of 851 million. This means the budget was not short of funds, so it is hard to understand why social spending was cut by 317 million, 40 percent less than programmed. It is true that more of the debt, some $349 million, had to be paid as a result of the events of 5 April.

[Pajuelo] Is a greater budget a disguised form of supplementary credit?

[Calmell] It is a classic form of supplementary credit.

[Pajuelo] But, different from past years, this one had funds.

[Calmell] Right. Which shows that the 4 percent deficit, about which the minister complained so much, never existed.

[Pajuelo] Was it perhaps that spending was overestimated or that the income was underestimated....

[Calmell] Or that the budget really had the funds appropriated, which was what we of the Bicameral Committee believed. If the budget was increased, it meant there were enough funds to cover the "alleged" 4 percent deficit and the additional 851 million. The IMF would never have permitted a budget with a shortage of funds.

[Pajuelo] I was asking about the second change, the one made last Saturday.

[Calmell] Until the technical details are published, we cannot say anything. If the changes rectify the mistakes, we should applaud. It may be the result of our communique, one small example that proves the need for Congress. But it should be made clear that it is not good to change the budget every four days in the midst of an

electoral process. This change should be reviewed very carefully to see if it resulted from pressure by a hidden economic group.

[Pajuelo] When you criticize that the debt payment has been increased, are you suggesting a ceiling on this payment?

[Calmell] No, no. The 906 million (almost 20 percent of the budget) was already enough. The problem was the events of 5 April, which delayed disbursements by the Support Group. This was like an aftershock, an additional sacrifice for the population. Payments have to be made to ensure loans for next year. [passage omitted]

Uruguay

Lacalle Anounces Steps To Help Industry, Agriculture

PY1111135292 Madrid EFE in Spanish 0207 GMT 11 Nov 92

[Text] Montevideo, 10 Nov (EFE)—During a news conference, President Luis Alberto Lacalle announced that on 10 November the Uruguayan Government decreed a series of economic measures to benefit industry and farming and animal husbandry production.

President Lacalle reported that taxes on diesel oil and fuel oil, the two fuels that are used mostly by the farming and animal husbandry and industrial sectors, have been reduced. This will allow for a reduction in the cost of energy in many of our country's production fields. In addition, the exemption on surcharges on the importation of capital goods for farming and animal husbandry has been extended one year.

The economic measures, implemented amid growing protests by cattlemen and farmers, who accused President Lacalle of not complying with his electoral promises to reduce fuel prices and deregulate farming and animal husbandry exports, were complemented by various tax benefits linked to land taxes.

President Lacalle pointed out that the government has reduced from 50 to 20 percent the payment of internal-revenue taxes the cattlemen and farmers were scheduled to make next month. He added that the government reduced real estate taxes by 10 percent on this sector. The government also decided to reduce from 10 to 6 percent the tariff on the importation of raw materials, with which Uruguayan industry will be able to be more competitive on the international market.

Uruguay is scheduled to reduce to 20, 15, and 10 percent the tariffs on imports by 1 January 1993, although it has decided to reduce the last tax, on raw materials, to 6 percent.

Since the Mercosur [Common Market of the South] Treaty was signed on 26 March 1991, Uruguay has scheduled a series of tariff reductions in order to equal those prevailing in Argentina, Brazil, and Paraguay by 1 January 1995.

Vice President Interviewed on Military Situation

PY1211021992 Montevideo BUSQUEDA in Spanish 5 Nov 92 pp 4-5

["Summary" of interview with Uruguayan Vice President Gonzalo Aguirre by unidentified reporter, place and date not given]

[Excerpt] [passage omitted] [BUSQUEDA] Do you still maintain that the situation in the Armed Forces is normal after the bomb that exploded at the Navy commander's home, the military pronouncements against the defense minister, and the state of deliberations among soldiers?

[Aguirre] To say that the situation is normal would be like trying to cover up the sky with one hand. Besides, it would give people a sense of false security. The incidents you mentioned are obviously not normal. The request to replace a minister is neither appropriate nor correct, and planting a bomb at anyone's home is a serious crime. We cannot make the Armed Forces responsible for those incidents, not even indirectly, but the incidents are without a doubt serious. They are not good signs.

[BUSQUEDA] How can these gatherings among soldiers be stopped?

[Aguirre] We could stop it by doubling their salaries. The economic situation is behind the entire problem. If we use that tool to control unrest—we have to make clear that we do not have constitutionally acceptable tools for that—we would immediately face pressure from other public workers. Soldiers and policemen are regrettably not the only ones who do not enjoy the salaries they would like. We have to recognize our country's limitations. The situation is very difficult. I think we need more persuasion, and perhaps education, to make all groups understand that if they obtain salaries that are not in accordance with the country's possibilities, they will be hurting themselves in the end, and all other groups will want the same benefits. Right now the Senate is discussing a draft bill which uses an ingenious mechanism to give a partial solution to some of their demands. The bill also generalizes the benefits obtained by some retired military officers and policemen, through a Supreme Court decision declaring the law regulating the adjustment on their pensions unconstitutional. The bill does not grant all that was asked, but the country cannot give more.

[BUSQUEDA] Defense Minister Mariano Brito said it was all right if active duty officers met outside their units, at the Military Circle for instance, to deliberate salaries among other things. Do you agree with that position?

[Aguirre] I am not an expert in military organic law or other Armed Forces regulations. Minister Brito is a distinguished jurist, and if he said it was all right, it was because he knows. As a matter of principle it is not appropriate for active duty soldiers to meet and deliberate. A discussion on a concrete topic which has no political connotations could get them used to operating that way. Discussions could well later include other inappropriate topics. I will not disagree with the minister. Active duty officers are forbidden from engaging in politics except when voting. I understand that a meeting to discuss salaries is not a political activity.

[BUSQUEDA] Under the present circumstances it would be a sign of weakness to replace the defense minister. However, do you think that later, when the situation had calmed down, such a change could help defuse the present climate?

[Aguirre] At this time there is no possibility of a change in the Defense Ministry. [Former President Luis Maria] Sanguinetti was known for defusing situations by changing ministers after people had forgotten the reasons which sparked the conflicts. The problem is now. We have to make things resume their course today. Besides, I think Brito is an excellent minister, and the president is not planning on replacing him.

Second Attack Made Against Navy Commander's Home

PY1111165392 Madrid EFE in Spanish 1458 GMT 11 Nov 92

[Excerpt] Montevideo, 11 Nov (EFE)—Uruguayan Defense Ministry spokespersons told EFE today that another attack, the second one in two weeks, was perpetrated on 8 November against the summer residence of Vice Admiral James Coates, the Uruguayan Navy commander in chief.

The attack consisted of a shootout between two unidentified people with two sailors on guard at the military man's summer residence, which is located in the neighborhood of the Piriapolis summer resort, the second most-important resort in the country, 100 km east of Montevideo.

Coates is married to Marta de Fuentes, Uruguayan President Luis Alberto Lacalle's secretary.

According to the spokespersons, a telephone call to a Piriapolis radio station on 7 November said that a bomb had been placed in Coates' house.

A group of marines went to the house but did not find anything unusual, but a guard was placed on the house, which generally does not have sentries.

During the early morning of 8 November the marines saw two unidentified persons near the house acting suspiciously, and when they closed in to identify them they fled, covering their escape with shots. [passage omitted]

Demands in 'Some' Military Sectors Turn Violent

PY1111224992 Montevideo BUSQUEDA in Spanish 5 Nov 92 p 13

[Excerpt] The procedures some military sectors in Uruguay are using to obtain their objectives bear some resemblance to the events that occurred before the 27 June 1973 military coup, even though the historical context is different and they have other motivations.

Although on this occasion economic demands were the main issue around which the military proposals were made, the demand for the resignation of Defense Minister Mariano Brito, which was made by an assembly of the Military Club with the participation of retired and active duty officers, most of whom were part of the military regime, is an event of undeniable political content.

In addition to this event, there were some ungeneralized acts of military indiscipline; meetings in the Military Club, where political issues were discussed; express orders to commanders to refrain from making or endorsing political statements; and threats by commanders to resign if their economic demands were not met.

One of the great differences between now and the era when explosives attacks were made exclusively by the left is that in recent times, similar events have occurred which—according to parliamentary and political circles—were carried out by discontented young military officers.

During a meeting held with leaders of his sector in the Colorado Party headquarters a week after an attack occurred, former President Julio Maria Sanguinetti said that these actions "come from the extreme right," from "people who long for the military life of the past, and who opposed the democratic process (in 1984)—people who believed we would be overwhelmed by labor unions and destabilizing factors."

Sanguinetti added: "Those who are involved are people who long for the past; they are the ones who come out (...) against us."

Sanguinetti warned, however, that those who "may be involved" are not "representative of a strong feeling in the institutions. They are ousted elements, people who never wanted the democratic process, people who in the last five years have tried to annoy, set up certain situations, and create problems for the commands." [passage omitted]

Antinarcotics Brigade Arrests Traffickers

PY1011195492

[Editorial Report] Montevideo EL PAIS in Spanish on 1 Nov 92, on pages 1 and 16, carries a 1,200 word report

on the arrest of a Uruguayan international drug trafficker identified as G.F.G., 33, by members of the National Antinarcotics Brigade at his home in Carrasco, Uruguay.

G.F.G., aka "the Man in Uruguay", is a member of an international ring linked to the Bolivian cartels that transport drugs in double-bottomed fuel tanks and other concealed compartments in vehicles from Santa Cruz de la Sierra, Bolivia, through Argentina, Uruguay, and then to Brazil from where G.F.G. shipped the drugs to the United States or Europe. He was also in charge of processing drugs.

The arrest of G.F.G. has led to the arrest of another Uruguayan citizen identified as L.M.M., 32, aka "the Carmelo Merchant", who is linked to an Argentine drug ring that shipped drugs to Europe via Brazil.

The National Antinarcotics Brigade has been very active this year. Between January and late September it carried out 100 operations which resulted in the arrest of some 100 people, 63 of whom were subsequently imprisoned.

According to Saul Humberto Claveria, National Information and Intelligence director, a special information center has been created to help identify and arrest traffickers and consumers at both the national and international level. Claveria said that the center, which is at the service of the police, is exchanging data with Argentine, Brazilian, Paraguayan, Mexican, Bolivian, Colombian, Cuban, and other police forces.

Venezuela

Perez on Determination To Complete Reforms

PA1111040992 Caracas Venezolana de Television Network in Spanish 2350 GMT 10 Nov 92

[Excerpt] Concerning the decision of the Social Christian Party [Copei] to lower the tone in the discussions on a proposal by Senator Pedro Pablo Aguilar, President Carlos Andres Perez has said that this adjustment shows that Copei is a party that is aware of its responsibilities. He added that as president of Venezuela, he is determined to implement the reforms he proposed to the nation.

During a news conference at San Cristobal, the president emphasized that the measure adopted by the Copei National Committee allows for correcting consecutive errors that have been made and that maintain a state of uncertainty that harms us throughout the world, as no one knows what will happen. The president added that it is no justification for nationally important political leaders to fall into a temptation that goes against compliance with the Constitution.

[Begin Perez recording, in progress] ...of the people, but according to the provisions of the national Constitution. As president, I am proud of what I am doing. It is not by mere chance that I was reelected, and that this is my second term in office. It is not by chance that I am the only Venezuelan who has been elected by the votes of all the Venezuelans of the country. I am the only Venezuelan elected by direct vote. I was not elected out of one state, or an electoral district, but by the entire country. [passage omitted] [end recording]

Minister Says Armed Forces 'Stay Out of Politics'

PA1111040392 Caracas Venezolana de Television Network in Spanish 2350 GMT 10 Nov 92

[Text] Defense Minister General Ivan Dario Jimenez Sanchez on 10 November asked the media to keep the nation's Armed Forces out of the political debate. He assured that at no time has the militarization of the country been discussed. The defense minister made the statements after meeting with President Carlos Andres Perez on 10 November.

Gen. Ivan Dario Jimenez Sanchez said the meetings being held with various groups of the country are to seek solutions to problems that have been brought up without meddling in the political sphere. He also said he had no doubts about the loyalty of the Armed Forces as established by the national Constitution.

[Begin Jimenez recording] We continue to comply with the provisions of the Constitution and the laws of the Republic. The Constitution specifically states that the military is apolitical, obedient, and nondeliberative. In compliance with that article of the Constitution, we stay out of politics. [end recording]

Surveillance Increased Along Colombian Border

PA1211022792 Caracas Venezolana de Television Network in Spanish 1550 GMT 11 Nov 92

[Text] Interior Minister Luis Pinerua Ordaz announced from the Presidential Palace that the Venezuelan Government has increased surveillance along the Colombian border to prevent Colombian guerrillas and drug traffickers from entering our country.

[Begin recording] [Pinerua] We are working with Colombian authorities and they have shown a positive attitude toward the operation.

[Unidentified reporter] Have Venezuelan and Colombian authorities held any meetings to decide on these measures?

[Pinerua] We are in constant contact. A high-level binational meeting between the Colombian security minister and the Venezuelan security minister will be held in November to discuss new agreements. [end recording]